October 11, 1949

The Reporter

The New Germany — *and other features*

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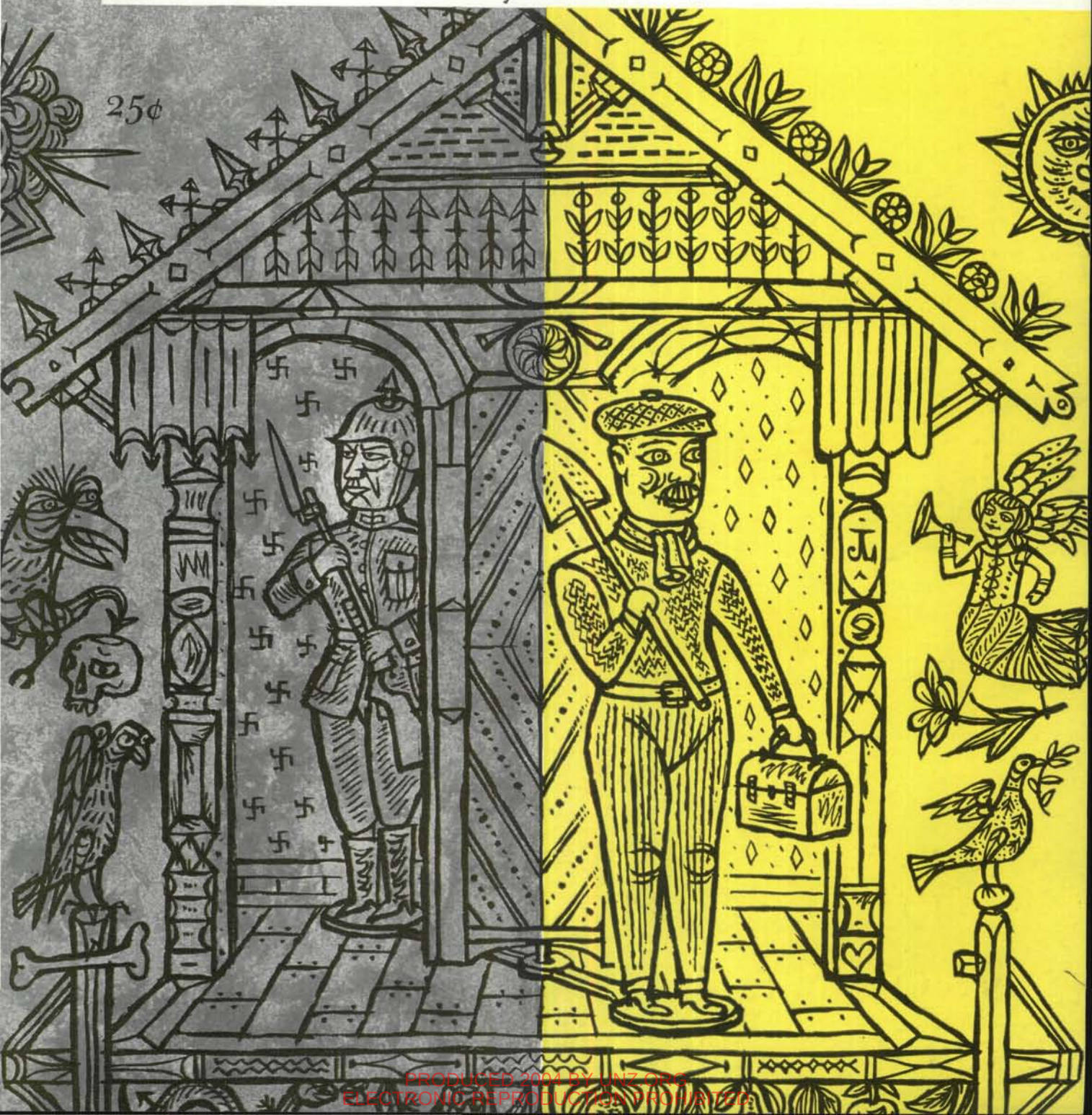

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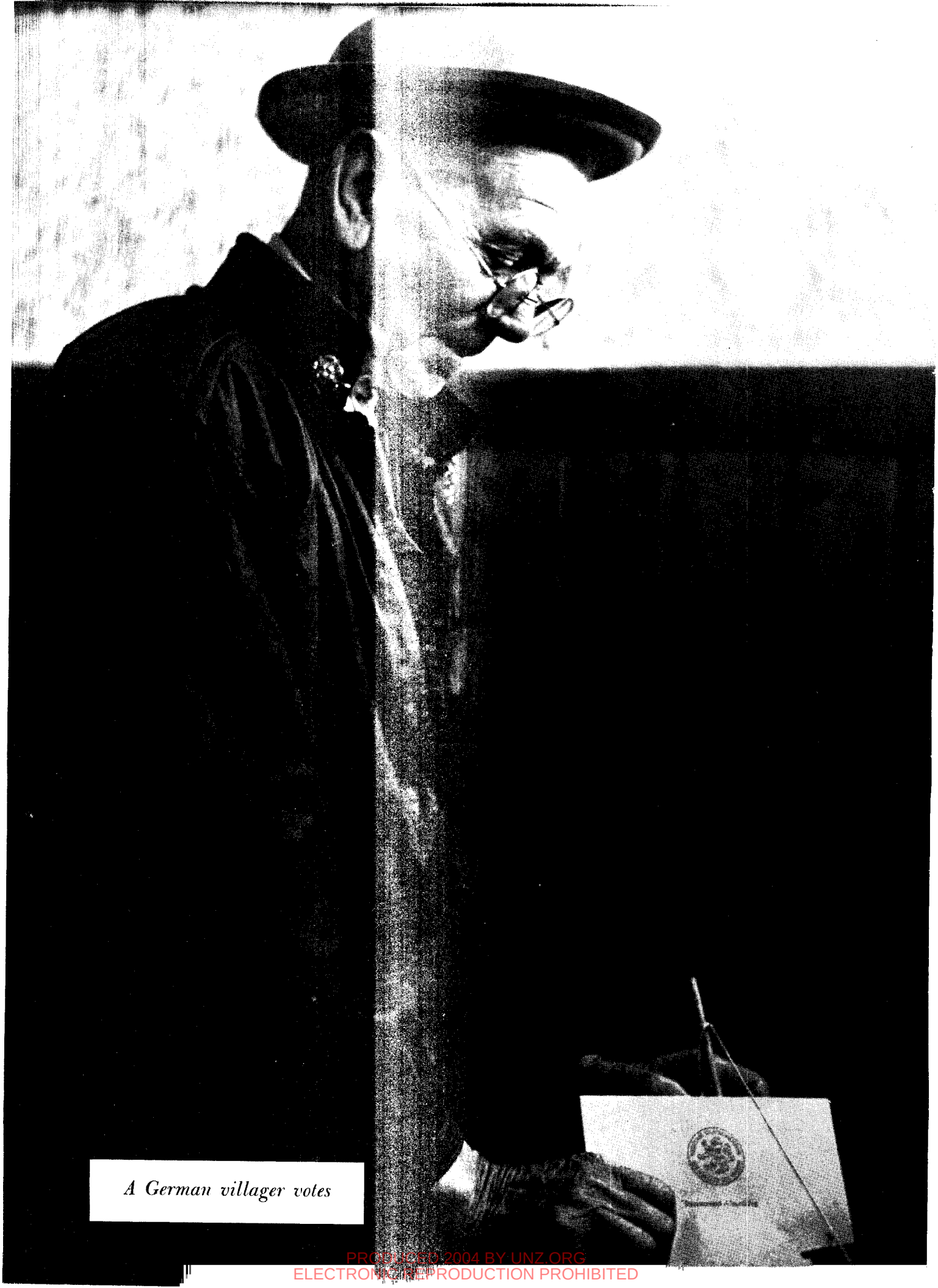

A German villager votes

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October 11, 1949

The Reporter

A fortnightly of facts and ideas

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The New Germany

The old industrialists, the unreconstructed newspaper editors, the men who went along with Hitler, once more are making themselves heard. Germany is still too weak to be a menace, but the potentialities of German resources and German skill have been left undiminished by the war. Some people think that we must get ready for a third round with Germany in the near future. We are not among them. Germany is not a threat to the peace of the world—at least not now. And it quite possibly can't become one again, if we are firm and realistic in handling the German problem.

Editor & Publisher: Max Ascoli

Managing Editor: Philip Horton; *Assistant Managing Editor:* Robert S. Gerdy; *National Affairs Editor:* Llewellyn White; *European Editor:* Leland Stowe; *Copy Editors:* Al Newman, William Knapp; *Art Editor:* William A. McIntyre; *Production Manager:* Anthony J. Ballo; *Staff Writers:* Richard A. Donovan, Pat Holt, James M. Minifie, Gouverneur Paulding, David Wills, Claire Neikind, Theodore A. Sumberg, Robert K. Bingham, Douglass Cater; *Assistant to the Publisher:* Helen Duggan; *General Manager:* Richard P. Callanan; *Business Manager:* Joseph F. Murphy; *Advertising Manager:* Houston Boyles.

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Editorial

The New Germany

"This is where we came in, and everything that happened before will happen again," according to many people who know Germany well. They see the unrolling of the same chain of events: rampant nationalism, a feeble democracy, and then, not too far off, a new militarism and a new German-Russian pact. There is another school of thought among observers of German affairs—a school that listens to the Cassandras, takes their warnings seriously, and yet keeps its shirt on. Let it be said at the outset that *The Reporter* keeps its shirt on.

There Is No Germany

On July 9, 1943, speaking of the Free French, who had asked the United States for diplomatic recognition, President Roosevelt said: "There is no France." Had he been alive on V-E Day, he could have said with far greater accuracy: "There is no Germany."

The German people had been left without institutions, without agencies of law enforcement, just as there were no leaders who could speak for them or to whom they had given a measure of their confidence. For twelve years, actually, they had had no institutions of their own, and the unconditional obedience that Hitler had exacted led them to their unconditional surrender to the Allies. The machine of the Nazi party had established total control over their lives; it ruled their schools, their factories, their churches, their leisure time, their emotions. With the collapse of the Nazi machine, the monolithic nation overnight was reduced to the dust of its smallest component elements, the men and women of Germany. On these men and women the military governments of the four allied nations had to exert their rule.

The military governments assumed the task of administering a revolution to the German people. It was called de-Nazification. For the Russians, this was an easy task, assuming that they ever took it seriously, for they are in the business of revolution. The military governments of the three democratic nations, the United States, Britain, and France, were ordered to do the impossible—to conduct a revolution according to Standard Operating Procedure and with some respect for the due process of law.

Northern Italy alone, among the regions of the two Fascist nations, had some days of real revolution on its own, after the partisans had taken over the functions of government and before the Anglo-American armies had arrived in strength. Mussolini himself, and a large number of Fascist leaders, were summarily executed, together with quite a few innocent people. In Milan, a well-known general of the Fascist militia was sought as a prize catch by the embattled partisans—an easy catch since everybody in town was familiar with his reddish beard. Actually, as the story goes, five men, all with reddish beards, were shot. A few days later, it was discovered that the close-shaven general was safely in jail. This is revolution.

We Have No Names

Our military government was to bring democracy to Germany. It was given the responsibility of scrutinizing every particle of the shattered nation, practically every man and woman above a certain minimum level of civic importance, and then it had to decide who was fit and who was not fit to hold a position of responsibility.

In the military rule of Germany, as in that of Italy and Japan, we were facing a task for which we had no precedent, no blueprint, and no expert. We could make of Germany neither a colony nor a kept nation. We could not let the Germans go to the Far Right nor to the Far Left. We had to exert pressure on the interests, the motives, the instincts of the Germans so that some time, somehow, they could unite themselves in a Germany vaguely resembling a peaceful democracy. We had, so to speak, to run the primaries in Germany; we had to select and certify the politicians whose claim to leadership had ultimately to be ratified by the German people.

Just as there are no traditions for what we had and still have to do in Germany and in other parts

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of the world, so we have no adequate names to express it. We don't want colonies, we don't want to dominate nations. We want to re-define the range of their independence, to determine those conditions for their well-being that will let them live securely. Our Communist opponents, on the contrary, have the advantage of all the old-established names and practices. To the Russians and to the people under them, "empire" and "sphere of influence" mean exactly what they used to. For these Johnny-come-latelies of international politics have adopted, with a pedantic vengeance, all the patterns that the old imperial powers have relinquished.

Most of our liberals keep a careful account of what they call American mistakes and failures in Germany. They shake their heads, and predict the worst. Actually, "mistake" and "failure" are incorrect words when applied to something for which there is no corresponding precedent of achievement or success. Most American liberals seem to act on the assumption that their abhorrence of extremes entitles them to sit in sour judgment of everything that is being done. This sitting habit does not represent the liberal tradition at its best. For there is a great difference between a sitting posture and the risky, purposeful effort of every muscle and nerve, aimed at lifting a nation from the horror of tyranny and defeat.

This Removable Government

Here we are now, confronted, at the end of military government, by this newly-assembled Western Germany that is learning how to speak, think, and act as a nation. We have before us this big, truncated section of what was once Germany. The German nation has been split in two by the conflict between East and West, just as three centuries ago it was broken up by the schism between Protestantism and the Roman Catholic Church. As a result of that division, it was not until 1871, after the Franco-Prussian War, that the unity of the German nation could be achieved. Since then the German state has proved to be a peril to its own people and to the world.

The best thing that can be said about the new German government is that it is weak. The parties that form it won the election by a slim margin, and Adenauer became the Chancellor by a majority of one vote—his own. To rule a divided Germany, still under allied control, is a rather unsavory task, that unfortunately has fallen on not very savory people. But this is probably the best government that Germany could have, for it is removable, at the mercy of a fractional shift of opinion. It is an interim government, for everything—parties, rulers, and politicians—is interim, precarious, and improvised in a nation that is just starting to live again.

Business, Not Love

Our officials have to do business with the German leaders who won the election, as they have to deal with the industrialists of the Rhineland and of the Ruhr, still the same men who ruled the German economy before Hitler, for Hitler, and with Hitler. Perhaps this is necessary, for, as the saying goes in some of our government circles, they are the men who "know their jobs." They are powerful, callous, cynical men, thoroughly impervious to moral scruples and to sentimental idealism. But they do know their jobs. They also speak English, know how to dress, eat, and drink. They do all these things so well, in fact, that some Americans are inclined to conclude that they are "our kind of people."

The art has been developed in America—only too well, at times beyond the point of decency—of keeping a strict line of demarcation between business contacts and social connections. In our working lives, there is a fair measure of equality and democracy, regardless of race and creed, enjoyed five days a week between 9 A.M. and 5 P.M. During off-hours, on vacation and recognized holidays, some barriers of discrimination are raised. It would be a good thing if the system could be abandoned at home and adopted, in some instances, abroad.

Actually, there is no reason why business intercourse with the German industrialists and political leaders should be accompanied by fraternization or declarations of eternal love. There are, on the contrary, all possible reasons for keeping the closest watch on the people with whom we have to deal. When those people give evidence that, in doing their jobs, they are only after greater and greater economic and political power, they must be sacked.

It is a very difficult task to introduce democracy in a nation—much more difficult than many of our well-meaning liberals seem to assume. The generous intention to help the non-Communist left in a foreign country is sometimes crudely challenged by the fact that there are not many non-Communist left-wingers to be helped. Sometimes, on the contrary, we may risk being trapped by the reactionary politicians of the country we help, as our experience in Greece proves.

It is a hard job we are up against, a job that requires an extraordinary degree of sophistication and hard-headedness. We can do business with this new rightest Germany, provided, of course, we are not going to marry her. —M.A.

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The Meaning of the German Election

The vote was surprising, both in its size and in its regard for the status quo, but the government perches precariously between socialists and Far Rightists

As the August elections in western Germany showed, the pieces of the German puzzle are not so easy to put together. The political experts were as poor at prophecy in Germany as they had been the year before in America. Detecting, as they thought, an overwhelming popular disgust with the political system and the existing parties, they predicted a very small vote, with spectacular gains for the extremists. The vote was large and unsensational.

Obviously the dark side of the German picture was overdone. The experts were obsessed by the nine million refugees from the east, who live uprooted, morbid existences; the three million ex-Nazis, entitled to vote for the first time; the youth, the best of whom have lost the ability to put faith in anything; and the former professional soldiers, who form a loose but intimate community with a tradition of militarism and nationalism extending back far beyond Hitler. These groups may some day turn out to be a big menace, but they didn't in 1949, perhaps because the time was not ripe for them.

The power that came out on top in Germany—narrowly, insecurely, perhaps temporarily—was the conservative middle class. Of all the unknown quantities, it proved to be the biggest and the least advertised. The middle class had been strengthened and even enlarged by the economic recovery that followed the currency reform last year. While the index of industrial production was rising from 51 in June, 1948, to 90 in March, 1949, a political force at once irresistible and intangible was set in motion. Some people benefited too much and many not enough; some industries are booming and others are begging; but, all in all, those who had a stake in the economic revival outnumbered those who did not.

Naturally there were other influences at work, too, but the economic upswing was the decisive one. The balance, of course, is so nervous and delicate that an economic movement in reverse could easily bring about the most pessimistic of the political predictions. It is necessary only to look at the parties individually to see that nothing has been settled, everything postponed.

Free Democrats. To understand what happened in the August election, it may be best to start with the Free Democratic Party (F.D.P.). It ran third in the election, but is the fastest-growing and most strategically-situated party in Germany. It is the only one of the Big Four that gained both absolutely and relatively. The Christian Democrats and Social Democrats gained absolutely but lost relatively, and the Communists lost both absolutely and relatively.

In the 1947 Landtag elections, before the currency reform, the F.D.P. ran fourth, behind even the Communists. Its organization then consisted essentially of a list of candidates. Its chief asset was its license from Military Government to call itself a party. In the recent election, fourteen months after the currency reform, it almost doubled its vote, won one-eighth of the seats in parliament and one-fourth of the cabinet posts, as well as the presidency. Its three million voters undoubtedly came predominantly from upper-and-middle-income people who had profited from the currency reform

Of all the parties, the F.D.P. stood for free enterprise in its purest form. When the index of industrial production was 28 in 1947, theirs was not a very popular political program. In 1949, with the index in the upper eighties, it was.

If the Free Democratic success meant anything, it was that the Protestant middle class is again a powerful political force in Germany. The Christian Democrats also insisted on old-fashioned capitalism, but they combined it with clerical and federalistic principles. The Free Democratic mixture—capitalism, anticlericalism, and strong, centralized government—traditionally makes a greater appeal to the Protestant middle class. Yet the German middle class, Protestant or otherwise, has always been too insecure and shifting to stick to any one outlook, and that inconsistency is reflected in the Free Democratic Party.

In Württemberg-Baden, in the American Zone, where President Theodor Heuss comes from, the F.D.P. is probably the nearest approach to a western-style democratic party. Further north in the British Zone, in Lower Saxony and Schleswig-Holstein, it takes on a more nationalistic complexion. The movement has as many alliances as it has factions. In the Bonn Government, it is the natural ally of the Christian Democrats. In several states, it shares power with the Social Democrats. And in Hesse, in the American Zone, it made a coalition with the extreme right.

The Hesse situation shows what may be lurking just beneath the surface. Municipal elections were held in Wiesbaden, in Hesse, in April 1948. Almost a quarter of the votes went to the National Democratic Party, a locally-licensed group, which demanded, among other things, the reconstitution of the Wehrmacht and revival of the flag of the Kaiserreich. The Hesse

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leader of the Free Democrats, August Euler, decided to combine forces with the National Democrats in the recent election, even though he had to split his own party to do so. The deal paid off handsomely. The F.D.P. in Hesse increased its vote from 250,000 to 600,000, higher than its total in any other state. A camouflaged National Democratic delegation, with a large percentage of former Nazis, was sent to Bonn.

Germany is full of groups and organizations with a respectable democratic figure out in front and dubious, compromised characters in the background. Almost every one of the big parties so far has the word "Democratic" in its name, a sure sign of how meaningless the term has become.

The Free Democrats, who agree with the Christian Democrats on economic policy, and with the Social Democrats on almost everything else, possess more tactical flexibility than any other party. It is safe to predict that they will never lack reasons for making deals with anyone to share power. That is the kind of hinge on which the new west German régime has to turn.

Christian Democrats. The father of post war German free enterprise, Dr. Ludwig Erhard, the former Bizonal economic director, joined the Christian Democratic Union a few months before the election. Next to Dr. Konrad Adenauer, he was the most promising C.D.U. campaigner and, of course, he defended his own record. It was not his fault that the C.D.U. lost part of the middle-class vote.

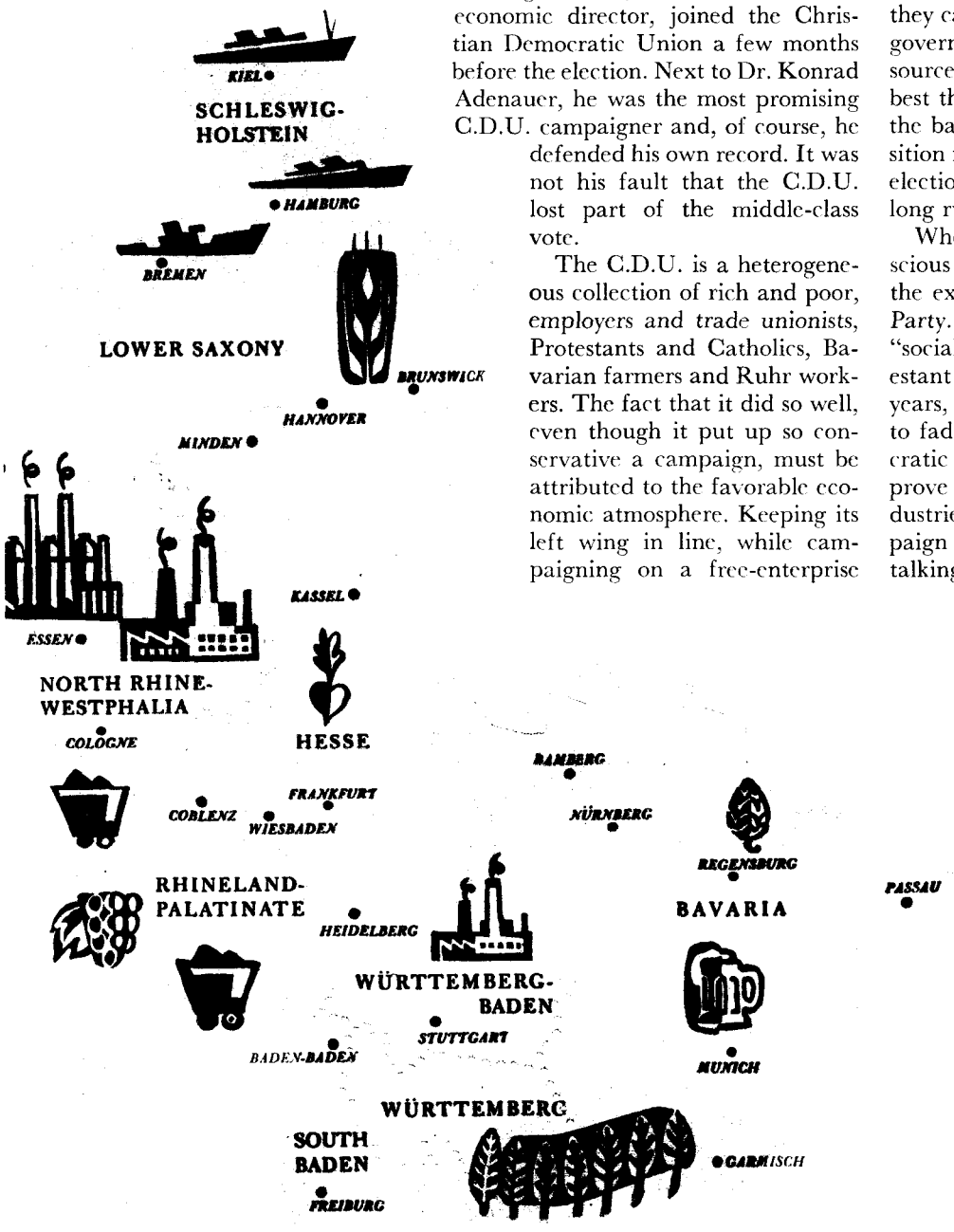
The C.D.U. is a heterogeneous collection of rich and poor, employers and trade unionists, Protestants and Catholics, Bavarian farmers and Ruhr workers. The fact that it did so well, even though it put up so conservative a campaign, must be attributed to the favorable economic atmosphere. Keeping its left wing in line, while campaigning on a free-enterprise platform, was a good trick, but it may be hard to repeat.

It was probably fortunate for the C.D.U., which won thirty-eight per cent of the vote in 1947 and thirty-one per cent in 1949, that the election was not much longer delayed, for the party was beginning to show the strains peculiar to such a complex assortment of interests. The two surprises in the election were that the Free Democrats gained so much, and that the Christian Democrats lost so little, with practically indistinguishable economic policies.

The Christian Democrats cannot stand still, and it is hard to see how they can go forward. Their grip on the government will give them important sources of power and patronage, but at best these will be able only to slow up the backward drift. Their shifting position may have won them votes in this election and cost them dearly in the long run.

When the C.D.U. was formed, a conscious effort was made to profit from the experience of the pre war Center Party. The new party was to be more "social-minded," and it was to be Protestant as well as Catholic. After four years, both these objectives have begun to fade. In 1947 the Christian Democratic conference went so far as to approve the nationalization of basic industries. In 1949 the C.D.U. campaign made anti-socialization its main talking-point. Of the 139 Christian Democrats in the Bundestag, only about forty represent the so-called left wing. Dr. Adenauer, the Christian Democratic Chancellor, is far over on the conservative side.

This transformation of the C.D.U. was partly a result of the former Military Government policy barring extreme rightist parties. As long as the F.D.P. was relatively unimportant, there were only two major antagonists, the Christian Democrats and the Social Democrats. Right-wing interests automatically leaned toward the Christian Democrats, and after the currency reform the Ruhr industrialists began even to take an active financial interest in the party, as



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they were again solvent enough to do.

The C.D.U.'s effort to bridge the political gap between Protestants and Catholics seems to be failing. The Free Democratic advance was one symptom. In North Rhine-Westphalia, in the British Zone, where Catholics outnumber Protestants three to two, the Christian Democrats won. In Lower Saxony, also in the British Zone, where Protestants outnumber Catholics four to one, the Social Democrats ran far ahead. In a strongly Protestant region, the right tends to take shape independently of the C.D.U.

The C.D.U. has begun to depend more and more on the local Catholic clergy to offset the far more efficient political machine of the Social Democrats, the best in Germany. What this means in terms of practical politics can be illustrated by the recent election in Cologne, a Catholic stronghold, where the votes of men and women were counted separately. The women gave 78,494 votes to the Christian Democrats and 48,924 to the Social Democrats; the men 48,881 and 48,640 respectively. The C.D.U. majority was made up of 29,570 women and only 241 men—an indication that women are more likely to vote as the church wants them to.

It is significant that the most prominent leader of the left-wing Christian Democrats, Dr. Karl Arnold, a former trade-union official now Minister-President of North Rhine-Westphalia, and President of the Bundesrat, has been far more critical of Dr. Adenauer's policy since the election than before. First, Arnold publicly expressed the desire to see Social Democrats in the Government. Then, at the annual Catholic congress on social problems, at Bochum in September, he warned sharply against "a bourgeois, anti-socialistic complex." In North Rhine-Westphalia, the most important state of west Germany, the tension between the Ruhr industrialists who supply C.D.U. funds and the Catholic workers who provide C.D.U. votes is most extreme.

The C.D.U. in the Government is really a coalition within a coalition. The Bavarian fraction of the C.D.U. delegation is even separately organized. Dr. Adenauer's government has to reconcile so many different interests that it is likely to break down for internal rather than external reasons.

Theodor Heuss

Social Democrats. The rising index of production is one side of the German economic picture. A total of one and a half million unemployed—and an average weekly wage barely on the level of subsistence—is the other. The reservoir of political discontent still stands at a relatively high point, but discontent is far from desperate. Most of the dissatisfied voters backed the Social Democrats, the most disciplined expression of opposition. And the Social Democrats themselves lost ground. They came out of the election with almost seven million votes, or close to thirty per cent of the total, a decline of over five per cent in the past two years, just about equal to the drop in C.D.U. votes.

The Christian Democrats and Social Democrats are almost evenly matched in numbers, but the former has allies and the latter none—at any rate, on a national scale. In a sense there are only two parties, the Social Democrats and all the rest. As long as the economic climate favors free enterprise, the Social Democrats have to choose between isolation and compromise on principle. On the one hand, they bear the brunt of Communist propaganda. On the other hand, in such places as Hamburg, where they are in power, the bourgeois parties form a coalition against them on the ground that they are "as bad as Communists."

To make matters worse, the German Social Democrats are also cut off from their natural allies on the continent. They disagree with the French Socialists on the Saar question and the Ruhr statute. By pushing the dismantling of German factories, Ernest Bevin probably cost the Social Democrats a good many votes. The other German parties suggested that dismantling was connected with Socialism, and that proved to be an effective campaign device.

Dr. Kurt Schumacher, the leader of the Social Democrats, is perfectly content to have his party remain, for the time being, out of the government. The Weimar Social Democrats wanted to get in, if they possibly could. Their emphasis was on Ministers and Members of Parliament, not the party. Schumacher puts the party first. He controls Ministers from his headquarters in Hannover. He thinks that the party would suffer if it took power prematurely or shared it disadvantageously. In Berlin, it won the last municipal election, took control of the western sectors, and has been losing popular support ever since. In some of the western states, the party has had to criticize the policy of coalition governments as if Social Democratic Ministers were not part of them. Dr. Schumacher's policy is that the party must win a majority and take all power or none.

Communists. The German Communists were surprised by their very poor showing, but they did not need the election to tell them that they were not doing well in the west. They had tacitly admitted that, before the balloting, by trotting out the National Front, their third important tactical device since the end of the war.

The first was the Socialist Unity Party, which was successful in swallowing up the Social Democratic Party in the Russian Zone, but failed to penetrate into the western zones, or to sink

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very deep roots even in the Russian Zone.

The second front to be erected was the People's Congress, organized in November 1947. It had about the same fate as the Socialist Unity Party. The election of delegates to the third People's Congress in the middle of May, 1949, was the turning point. The Russian Zone was asked to vote "Ja" or "Nein" on the proposition of "a united Germany and a just peace," which was like asking for a vote on the multiplication table. According to the official figures, 33.9 per cent voted "Nein." When the Soviet Military Government made this figure public, the Communist leaders assumed they were being told to try something else.

The National Front, which was born last May, is still another effort to cast a wider political net. This time the net has no limits. The People's Congress had an "anti-Fascist and democratic" basis, whatever the interpretation of that might be. The National Front has made room for unreconstructed Nazis. "There should be drawn into the National Front those circles of the German people who until now have stood aloof or even rejected the German People's Congress movement because of its organizational setup and democratic basis," Wilhelm Pieck has said.

"In view of the mortal danger to the whole nation, we need not look back on the former [Nazi] party membership of individuals, but we must have the sincere will to come together with every nationally-minded German who wants the unity of Germany, a just peace, and thereafter the withdrawal of the occupation troops," Walter Ulbricht said recently. "We have today in the Soviet occupation zone not a few former active Nazis who are carrying out responsible work."

"It is necessary that we should act more coldly and courageously to draw into the great national struggle those forces which until now have not taken part in it, because they were and are standing outside the anti-Fascist, democratic order," said Fred Oelssner in *Neues Deutschland* on August 7. "We must draw into this great struggle much more courageously than until now the former officials and teachers, the active soldiers and officers, the former Nazis—and not merely the nominal ones."

"For the enlistment of former National Socialists in the National Front, there is no other condition than their sincere will to fight for the unity and independence of Germany," said Pieck in *Neues Deutschland* on August 4.

The tactic behind the National Front is curiously parallel to that behind the Nazi-Soviet Pact ten years ago. Then, too, it was permissible to make a pact with the Nazis against the western powers. Now any enemy of the United States—Communist propaganda hardly bothers with Britain or France—even a "former" active Nazi who is still enough of a one to have no use for anti-Fascism or democracy, is considered a fit partner. Communists are busy preaching just what they accuse the western powers of practicing.

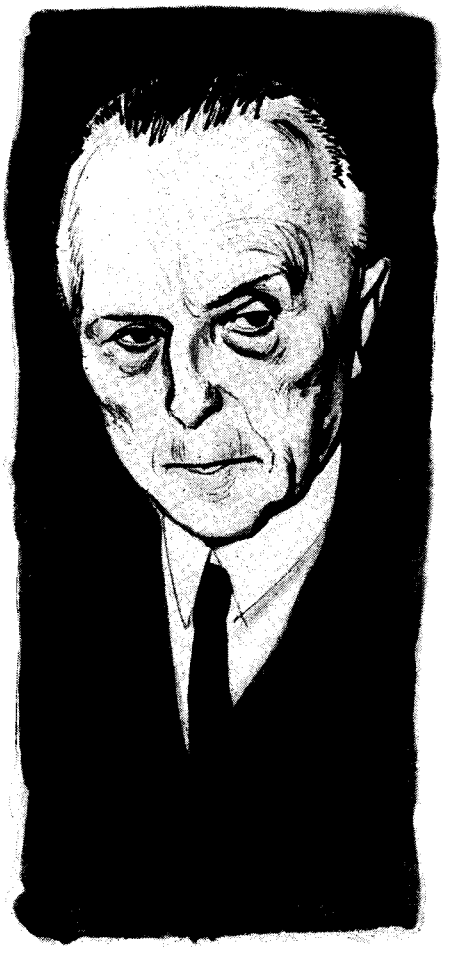
To justify this new line, the Communists assert that Germany is a "colonial problem" and they are waging a struggle of "national liberation." Germany is actually put in the same class in their propaganda as Spain, Greece, and Puerto Rico. This "colonial" theory serves two ends. It provides a political basis for Communist-Nazi collaboration on the ground that the all-important issue is "national," not "social," and it enables the Germans to think of themselves as a poor, oppressed people who are paying, not for their own sins, but for the insatiable greed of American profiteers and warmongers.

If the Socialist Unity Party or the People's Congress had come up to expectations, there would obviously be no need for the National Front. The need is not so acute in the Russian Zone, where the Communists would like more popularity but do not need it to stay in power. The National Front was primarily conceived for the western zones, where the Communist vote recently declined from 1,634,545 to 1,360,443, or from 9.4 per cent to 5.7 per cent.

The weaker the Communists are, the more they need allies, and the most easily available allies against the United States are on the extreme right. The common stock-in-trade of all the neo-Fascist groups, like Otto Strasser's illegal but not inactive Black Front, now called "The League for Germany's Revival," is inflammatory nationalism which, in the western zones, is anti-American, anti-British, anti-French, or all three, as the case may be.

The National Front is solely a political basis for collaboration between the extreme right and extreme left, taking them and leaving them as they are, with only one thing in common: German "national interest." This is doubtless a dangerous game, as the Nazi-Soviet Pact was. Communist leaders admit having trouble making the whole Socialist Unity Party "understand" it. At the moment the two most overworked words in the Communist vocabulary are "German" and "national." The Communists insist that there is a difference between "national" and "nationalism," but there is some question as to whether the objects of their propaganda always appreciate that difference.

Rightists. Except for the Free Democrats, only the parties of the extreme right increased their vote both absolutely and relatively. The chauvinistic German Party obtained almost a million votes; the neo-Fascist German Rightist Party almost half a million; the predominantly monarchist Bavarian Party a million; and a special



Dr. Konrad Adenauer

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brand of Bavarian führer mentality, the innocuously named Economic Reconstruction Association, led by Alfred Loritz, over half a million. Over a million votes were also cast for "independent candidates," most of them far to the right. Thus three to four million votes went to the extreme right—about one-sixth of the total. It will be represented by fifty-three deputies in the Bundestag—about one-eighth of the total. If the system of representation had not been weighted against local parties and independent candidates, they might have had twice as many deputies.

Yet there was a sigh of relief that the extreme right turned out to be no stronger than it did. The nervousness is partly attributable to the elusiveness of the danger. If one neo-Fascist party existed, the danger would be concrete and localized. Now it seems to be everywhere: among the refugees, the youth, the war veterans, the former Nazis, the groups and circles and associations that pop up daily (and not least inside the so-called democratic parties).

In Lower Saxony, not far from the Russian Zone, there is a town called Wolfsburg. It is unique for three reasons: It is the home of the *Volkswagen,* or People's Car; it has more men than women; and flagrant neo-Fascists have won the last three local elections.

Wolfsburg is a one-factory town; ninety per cent of the population of 23,000 depend on the auto factory, which expects to produce 40,000 cars in 1949. The majority of the workers are refugees from the east. They live packed together in grim-looking barracks set down in the middle of a dusty wasteland. No one knows who owns the factory now; it was started by the Nazi Strength Through Joy organization, and taken over by the four-power Control Council, which no longer exists for all practical purposes.

Wolfsburg first became notorious in November, 1948. In a local election, the unknown and unnoticed German Rightist Party received 16,500 votes, against the Social Democrats' 5,500. The leaders were obscure young men with army backgrounds. Five months later the party was banned in the district by the British Military Governor, and a new election was ordered. The slightly less extreme German Party stepped in and won. Then the German Rightist Party was reinstated for the most recent election, and again came out on top. It has now moved its headquarters to Hannover for bigger game.

How much of Germany is represented by Wolfsburg? Potentially all of Germany—given the same refugee problem, living conditions, and social unbalance. Wolfsburg indicates that, in this country, Fascism still has a much better chance than Communism.

One of the commonest observations heard in Germany is that what the country needs is a conservative party. The thought is that Germany has had radical reactionaries, not disciplined conservatives. It may have had, for a time in the 1920's, a reasonable facsimile of a democratic government, but it never had a democratic opposition. And without a democratic opposition, a democratic government can only make a single slip.

By refusing to license parties of the extreme right, except on a local scale and not always then, the Military Government understandably but unavoidably introduced a deformity in the political system. In a sense, the story of the past two years has been the effort to get around this obstacle, either by transforming the Christian Democratic and Free Democratic Parties into rightist parties, or by forming new and more extreme ones. Now the bars have been lifted, and anyone can form a party or start a newspaper without a license. For the first time, then, the real face of German conservatism may again become visible.

With the big vote and relatively small extremist representation, the Bonn régime got off to a better start than everyone expected. But it would be inexcusable to imagine that it is much more than a start. At best, on its own showing, the régime is a provisional one for half of Germany, with rigidly restricted authority. Within this narrow framework, it has to struggle against immense odds.

There is still the multiplicity of parties and the desperate search for a stable majority. The parties themselves are still new and untested. There is room for a good deal of shake-up, not necessarily for the better. There are the nine million uprooted refugees, the millions of "former" Nazis, the ominous silence of the younger generation, the reviving prestige of the military caste. Houses need to be built, unemployment cut down, markets found. The psychological and political effect of the last year of amazing economic recovery was greatly underrated. It was positive enough to win an edge on all the negative factors. It was feared that Bonn would never even get a chance. Bonn has been given a chance, just that.

—THEODORE DRAPER

A Shot in the Arm

The Rentenmark of 1923 produced a miracle in ending one of the world's dizziest inflations; and the Deutsche Mark, the new legal currency put into use on June 20, 1948, may also work wonders in healing the scars of modern Germany's second vanquished economy—this time only three years after the war's end. A general lifting of price, allocation, and rationing regulations accompanied the issuing of the new currency. Figures on the Bizone's industrial output show a steady rise:

(1936=100)

	Total	*coal*	*iron & steel*	*chmcls.*
June, 1947	41	61	21	42
December	44	72	26	43
June, 1948	51	80	32	53
December	79	89	55	76
June, 1949	85	88	60	88

The businessman benefited most from this new German attempt with a "free economy," but to a certain extent the worker, too, shared in the economic improvement. The average Ruhr miner's gross monthly earnings rose from 203 marks in June, 1947, to 267 two years later. Unemployment, however, increased from 5.2 to 9.3 per cent in this period, but that was due mainly to the influx of refugees from the east.

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Ten German Politicians

Most of them stayed out of Hitler's prisons and his party; most are just entering big-time politics

Dr. Kurt Schumacher

German politicians never have made a good impression on the rest of the world. Germans of ability and integrity have usually followed such pursuits as philosophy, music, and science, leaving statesmanship to a line of willful, and often unscrupulous, characters like Frederick, Bismarck, Wilhelm II, and Hitler.

During the Nazi years, most prominent Germans of democratic leanings were done away with. During the past four years, many Nazi leaders have died by the bullet, the rope, or the cyanide pill. The survivors—with the exception of a lucky few—are those whose indifference or prudence kept them out of Nazi Party leadership on the one hand, and the dungeons of the Gestapo on the other. Into this last category fall all but a few of the emerging leaders of the West German Federal Republic.

Ten of the more prominent of these men are:

Dr. Konrad Adenauer, seventy-three, leader of the Christian Democratic Union (C.D.U.—C.S.U. in Bavaria), and first Chancellor of the West German Federation.

Professor Theodor Heuss, sixty-five, President of the Federal Republic, and a leader of the Free Democratic Party.

Dr. Kurt Schumacher, fifty-four, leader of the Social Democratic Party (S.P.D.), and of the opposition.

Dr. Carlo Schmid, fifty-two, Social Democratic Party whip in Parliament.

Max Reimann, fifty, Communist leader of western Germany, and member of the Bundestag (lower house).

Dr. Ludwig Erhard, fifty-two, Minister of Economics in the West German government, and Adenauer's chief Economic adviser, right-wing C.D.U. leader.

Dr. Erich Köhler, fifty-four, President of the Bundestag, and a C.D.U. leader.

Karl Arnold, forty-eight, President of the Bundesrat (upper house), Minister-President of North Rhine-Westphalia, and left-wing C.D.U. leader.

Alfred Loritz, forty-seven, head of the Bavarian Economic Reconstruction Party.

General Otto Ernst Remer, prominent in the extreme nationalist German Rightist Party, militarist.

Of these men, only two, Schumacher and Reimann, opposed the Nazis vigorously enough to get sentenced to long terms in concentration camps. Only two, Schumacher and Heuss, were members of the Reichstag before 1933. Four held responsible positions under the Nazis; one was a heavily-decorated high officer; at least one was an ardent Nazi. All have been critical of the occupying powers.

The most important of the group is, of course, the Chancellor, Dr. Adenauer. He was born in Cologne, where his father was an underpaid government functionary, and has spent most of his life there. Early in his career, Dr. Adenauer moved from law practice into politics, but because of his intense regionalism, he was a local rather than a national figure. He was Lord Mayor of Cologne from 1917 till 1933, when he incurred the displeasure of Hermann Göring and was removed from his post. He withdrew to his home on the Rhine and to the practice of law.

Twice—during the Roehm purge, and again after the attempt on Hitler's life in July, 1944—he was arrested and questioned, then released. Today he insists indignantly that he was never involved in any plots against the Nazis; he has never been an adventurer, he says. Instead, he kept himself busy raising his seven children with all the authoritarianism of a good German, and puttering about in his large garden. He has been married twice, the second time to Gussie Zinsser, the daughter of a Cologne doctor, Dr. Ferdinand Zinsser, who was born in New York. It is an interesting footnote on fine families that the American High Commissioner for Germany, John McCloy, and the Ambassador to Britain, Lewis Douglas, are both married to Zinsser girls, American cousins of Mrs. Adenauer. She died in 1948.

Adenauer has always favored a federation of German states, and after the First World War he even grew quite serious about the idea of an independent Rhineland, a fact that makes him highly acceptable to the French, but somewhat less so to the British. In 1945, British military government officers removed him summarily from his position as Mayor of Cologne, which Americans had given him earlier that year, but the British now insist it was an underling's error.

Neither his Rhenish regionalism nor his devout Catholicism prevents Adenauer from being an able politician, not above giving the devil his due and beating the drum of renascent German nationalism. In a speech last spring he said, "It was the German Army which capitulated, not the German people." His partners within the C.D.U. range all the way from left-wing leaders like Arnold, who believes in nationalizing some industries, to the extremists of the right, with their enthusiasm for *laissez-faire*. Both sides have pushed him hard. No economist himself, Adenauer has

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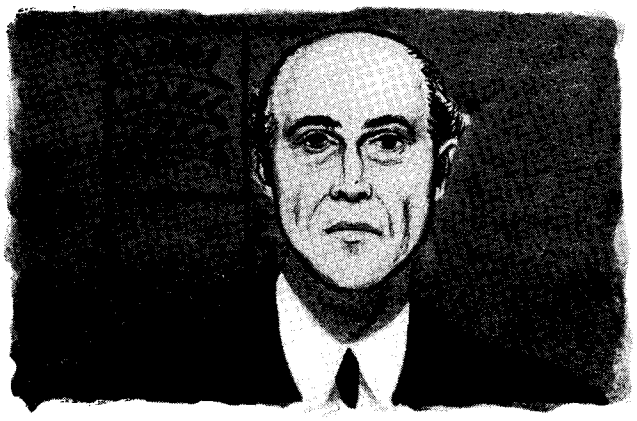

Karl Arnold

adopted the principle of "social market economy" from Professor Erhard of the Bizonal Economic Council. Two of the main points of this principle are free private enterprise, and the sharing of profits by employees.

Adenauer has made his coalitions with the right rather than the anti-Communist left; he fears the Social Democrats both for their Socialism and their insistence on a strong central government. Convinced that most Germans would rather run part of their country themselves than have the Russians participate in running all of it, he has been cool toward Berlin and the eastern zone, though some members of his party have been talking publicly about the revival of trade with the east. His majority over the Social Democrats in Parliament is small—139 to 131—and he was elected Chancellor by a margin of one vote, but Adenauer is likely to remain at the top for some time as the result of the C.D.U.'s coalition with the supernationalist, militarist, and regionalist splinter parties of the right.

Among Adenauer's bitterest critics is the fanatical, one-armed and one-legged Social Democrat Kurt Schumacher. A Socialist leader of long standing, Schumacher was bitterly anti-Nazi from the start. As a result, he spent ten uninterrupted years in a concentration camp. He emerged a gaunt and awesome zealot. His oratory is unequaled in postwar Germany, and his hatreds are almost as scorching as Hitler's. But his health is extremely shaky. He lost one arm as a soldier in the First World war. Now a series of internal disorders rack him, keeping his disciples worried and for weeks at a time restricting his diet to coffee, cigarettes, and pills. Careful feeding and constant medical treatment, including the amputation of his left leg last year, have brought him back to some kind of health, and even helped him gain about twenty pounds.

Schumacher is tremendously courageous, and completely opposed to the Soviet Union and everything it has done in recent years. In his opinion, the Russian leaders have not only violated law, reason, and humanity in their internal and foreign policies, but, even worse, they have slandered Marxism and discredited Socialism. Schumacher lights into the Russians under their very noses in Berlin. At the same time he has been consistently critical of certain "imperialist tendencies" on the part of the United States and Great Britain. He also attacks the Church.

If Berlin came into the Western German Federation, the S.P.D. would probably outvote the C.D.U. and Schumacher might replace Adenauer as the leader of the plurality party. If this does not occur within a year or two, however, Schumacher may no longer be leader of his own party. He has continuously antagonized many of his own subordinates by his dictatorial methods, and his health cannot be counted on to hold up for long.

Were Schumacher to die or withdraw from leadership, his place might be taken by Carlo Schmid, a burly, unkempt man who was once professor of law in Tübingen University. Schmid, who was born in Perpignan, France, of a French mother and a German father, is a bilingual, cosmopolitan cross between Heywood Broun and Trygve Lie. During the Nazi occupation of France he was given a post in the military government of the provinces of Nord and Pas de Calais, but he managed to maintain good relations with the French without losing his job. Like many of his Social Democratic colleagues, Schmid is convinced that the future of Europe depends on its workers. The C.D.U. will always be on the side of the West. But the West can lose the workers. And if they do, they can lose Europe. Believing this, he bases his policies on the Socialist programs popular among the continent's workers for a century.

Lacking the unity and the discipline of the Social Democrats, the Christian Democrats have more leaders, and more diverse opinions by far, than their rivals. Balancing its extremists of the right, the C.D.U. has a raw-boned left wing, concentrated in the industrial districts of the Ruhr. Here miners and steel workers, Catholic and Protestant, have flocked to the C.D.U., hoping for support in their old struggle to make a living in one of the most highly centralized industrial areas in the world. The leader of this strongly unionized, semi-Marxist group is Karl Arnold, the handsome and earnest Minister-President of North Rhine-Westphalia, the most populous province in Germany, and articulate defender of a limited Christian Socialism.

Arnold was trained as a leather worker, and fought his way to the top of his trade union. At the age of twenty-four, he was secretary of the Christian Trade Unions in Düsseldorf. During the Nazi years he lived in political oblivion, from which he emerged to participate in the July 20, 1944, plot. In 1945 the British installed Arnold as Mayor of Düsseldorf, a position he held until he was unanimously elected Minister-President of North Rhine-Westphalia in 1947.

Max Reimann

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Two other Christian Democratic leaders who are little known outside Germany, but important for the economic power they wield in the Fourth Reich, are big and genial Dr. Erich Köhler, President of the Bundestag, and former President of the Bizonal Economic Council; and Dr. Ludwig Erhard, who has been appointed to the important job of Economics Minister by Adenauer. A veteran economist and administrator, Erhard is given much credit for the success of the currency reform of 1948. Erhard was Minister of Economics for Bavaria after the war, and then stepped into the Bizonal Economics job when Dr. Johannes Semmler was fired by General Clay for slandering American Military Government. Erhard is the foremost exponent of free enterprise in western Germany. When he removed virtually all controls in December, 1948, consumers in a dozen cities demonstrated against him, and even his supporters in military government and the German Economic Administration felt that he had gone too far. But he stuck to his guns, refused to control prices, and left the economy of western Germany free and booming, blessed with inflated profits for the lucky and enterprising.

The Communist Party in west Germany is led by one of the most unexpected characters in German politics, a dapper, suave man named Max Reimann. A handsome cynic who goes in for English tailoring and drives a Maybach (the German Rolls Royce), Reimann started out a miner, became a Communist functionary in the early 1920's, and spent six years in Sachsenhausen concentration camp. Leader of the Communist Party in the British zone since 1945, he was defeated in his local district for the Bundestag, but holds a seat under proportional representation, thanks to which his party has fifteen representatives. He impresses most strangers as a likable man and a congenial *enfant terrible*. He seems to enjoy embarrassing the Social Democrats by voting with them, and often steals their thunder by attacking the military government authorities even more vigorously than Schumacher does. As long as the Communists of western Germany poll only 5.6 per cent of the popular vote, as they did in the last election, Reimann will remain at worst a nuisance.

Considerably more than a nuisance are some of the right-wing extremists like General Otto Ernst Remer, prominent in the affairs of the ultranationalist, militarist German Rightist Party.

Remer was a major on duty in Berlin in 1944. The July conspirators knew him as a disciplined career officer who could be depended upon to obey orders from his superiors. A short time after the bomb at Hitler's headquarters exploded, the conspirators in Berlin sent Remer at the head of a detachment of soldiers to arrest Goebbels, take over the country's propaganda machinery, and announce the new government's intention of signing an armistice as soon as possible. Better Nazi than soldier, Major Remer allowed the persuasive Goebbels to put through a long distance telephone call to Wolfschanze, Hitler's headquarters near Rastenburg, where Hitler himself, still bleeding and dazed, came to the phone and assured Remer that he was indeed alive and that the major's duty was to obey Goebbels and arrest the conspirators. This Remer proceeded to do, earning tremendous honors and a big promotion. Later, Remer led the Führer Escort Brigade in the Battle of the Bulge. His élite armored unit captured St. Vith, then broke its teeth on the 84th Infantry Division near Hotton. Its remnants joined the final unsuccessful assaults on Bastogne.

Dr. Ludwig Erhard

Remer remained obscure for some time following the capitulation, then turned up in the British Zone and set about organizing right-wing nationalists. There is some evidence that he received encouragement, perhaps help, from agents of the Soviet military administration, who would be delighted to see extreme nationalism revived in west Germany to support the Russians' "unity" campaign.

Also on the lunatic fringe of German politics is Alfred Loritz, Führer of the separatist Bavarian Economic Reconstruction Party, which now has twelve seats in the Bundestag.

In the midst of these partisans and crackpots, President Theodor Heuss appears as a rock of stability. An old member of the pre-Hitler Liberal Party, Professor Heuss is now leader of the Free Democrats, a free-enterprise, anticlerical party.

As President of the Federal Republic of Germany—a position somewhat similar in function to those of the President of France and the British King—Heuss will have the task of keeping the centripetal pressures of the occupation authorities and the centrifugal forces of the various parties and factions from breaking up the still shaky hull of the Fourth Reich.

These German politicians are the men in whom the western powers have entrusted a considerable measure of control over the groping and truncated German state. It is probably a good thing that none of them has given indications of having the organizational ability of Disraeli, the diplomacy of Talleyrand, the integrity of Lincoln, or the determination of Peter the Great. Both major parties believe in democratically elected governments, and are prepared to leave their offices peacefully if the voters wish. While the universal dissatisfaction with the Oder-Niesse line will keep the country in a ferment of irritation and anger for many years, regardless of its government, no responsible leader of the two main parties has expressed any intention of preparing for rectifications by force. On the contrary, all agree on Germany's need for peace, not for a year or two, but for good.

—JOHN SCOTT

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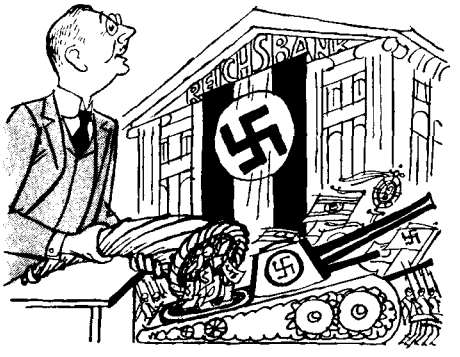
The Indestructible Dr. Schacht

The president of the Reichsbank under Hitler, left free by various courts, has written a book indicating that his judges may have been hasty

About a year ago, a group of Americans dining in a fashionable German restaurant were surprised to see most of the waiters desert their assigned tables to crowd around a well-dressed, bespectacled, white-haired man who had just arrived. After the bowing and scraping had subsided, the Americans found out that the magnetic customer was Dr. Hjalmar Horace Greeley Schacht. The waiters' awed response to him was a tribute to a

long series of most remarkable achievements.

Hjalmar Schacht's technical genius in financial matters had won him an important post in Hitler's first Cabinet. From 1934 to 1937, he had been Minister of National Economy, and from 1933 to 1939, president of the Reichsbank, the institution which financed the secret rearmament of Germany and which later accumulated a hoard of gold teeth from the mouths of concentration-camp victims. At the Nürnberg war-crimes trial Schacht was one of the most prominent defendants, but his skillful lawyers, who made much of his alleged participation in the July 20, 1944, plot against Hitler, won him total clearance. Later several de-Nazification courts failed to lock up Schacht, and there is one more trial pending, for which hearings have not yet been held. Meanwhile, the apparently indestructible financier has participated in some high-level, though unofficial, economic conferences with western German officials. Most important of all, he has written a book, *Settling an Account with Hitler* (*Abrechnung mit Hitler*), which, in a low-priced edition, has run to three hundred thousand copies, and become one of the most startling German postwar best-sellers. Rounding out the roster of Schacht's distinctions is the fact that he spent the last months of the war in a Nazi concentration camp, which helped considerably to assure his several acquittals. In his book, Schacht refers to the Flossenbürg "extermination" camp; but he also mentions the fact that he had a

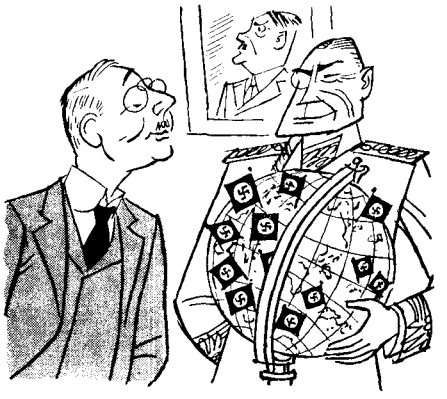


radio in his barracks, a convenience that was not available to most other inmates.

As literature, Schacht's book is negligible. As a historical record, it is one of those volumes which, for the past hundred years, have persuaded Germans that every country in the world has chronically been out of step except their own.

In spite of these shortcomings, I recommend the book as an indispensable guide to postwar Germany, a unique Baedeker for any American traveler who hopes to understand the German scene—that political landscape of murderous precipices carefully hidden by smoke screens of respectability and *Kultur*. The book provides interesting evidence of the resilience of those German nationalists who have flourished during every régime since that of Wilhelm I, through the Weimar Republic, the Hitler dictatorship, the war (until it began to be lost), and the interregnum of the Allied Occupation. *Settling an Account with Hitler* is as important a book as the seventy-two-year-old financier is a man. Both are of vital significance as symbols. If you understand Schacht's book and Schacht's mind, you know that the German danger has not been averted by the suicide of Hitler. The book repudiates Hitler. Hitler's Nazism is dead, it says, but is adds at once: Long live Schacht's nationalism!

Schacht denies, of course, that he gave any aid to Hitler. He describes at great length the poverty and hopelessness that ravaged the Weimar Republic. He tells of unemployment, the foreign debt, demoralization, political



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strife, and economic chaos. And he explains all these phenomena simply: "That was the work of democracy." He points scornfully at the "democratic parties," and says triumphantly that they have not been able to cope with Germany's problems. It follows, therefore, that they—and not the active and passive rightist parties—were responsible for Nazism.

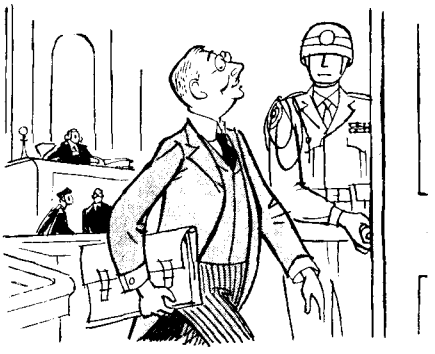
Last year when Fritz Thyssen, the former king of Ruhr steel, appeared before a de-Nazification court, the prosecution introduced records of a meeting of Germany's industrial and financial hierarchy shortly before the elections that pushed Hitler into power. One of the leading industrialists had said bluntly: "What we need now is a maximum of disorder." (This, of course, is the same disorder for which Schacht blames democracy and the "democratic parties.") The prosecution asked why Thyssen, one of the most influential magnates there, had not objected. Thyssen replied calmly, that he had, indeed, registered his disagreement, and when the court asked how, he said: "I shook my head."

Today the Schachtists, or the "non-Nazi" nationalists, proclaim again and again that they protested against Hitler by shaking their heads, if not by underground resistance. "You must keep in mind," a powerful Ruhr industrialist said in a private conference in Düsseldorf a few weeks ago, "that men like

Schacht hated the Nazis, but joined in order to stop them." This man had himself been a "contributing member" of the S.S. He probably never wore the uniform; perhaps he never even wore the emblem of the National Socialist German Workers' Party; but he put money into Himmler's treasury at a time when the tramping of black boots and the flashing of S.S. daggers were powerful means of intimidation.

The Schachtists—and they included of course, many officers of the German general staff—probably did dislike Hitler. He was vulgar, and his grammar was faulty. But they despised and feared democracy more, and they thought that they could control Hitler and use him for their own ends. They agreed with his aims sufficiently to overlook his methods. Today they condemn Hitler's madness because it lacked sufficient method. The long-range aims of German nationalism remain just so much unfinished, but fully justifiable, business.

Schacht found no fault with the Nazi program. As a matter of fact, he saw in it the fulfillment of his own objective: the extension of German power. There was nothing in the Nazi platform, the naive nationalists main-



tain, that could have warned them of violence. There was no indication that anybody would be persecuted. The aggressive chants, heard shouted night after night by marching columns, "Today Germany is ours, tomorrow the whole world," and the cries of "Down with the Jews!"—neither of these penetrated Schacht's "nonpolitical" consciousness. As for *Mein Kampf*, Schacht shrugs it off as "not an official party statement, but propaganda and fighting literature." He was disturbed less by the book's contents than by its style, which, he says, "could only be regarded as a rape of the German language."

And there is the real difference between the genteel nationalists and the Nazis, a difference that became gradually more marked and even sent some of the Schachts and the Thyssens into concentration camps. The question was one of manners. "The half-educated" is Schacht's most scathing comment for Hitler. "Any attempt to trace [Hitler's] family gets lost in illegitimate births," he complains. "Little is known about Hitler's childhood. Surely he must have lacked a good upbringing. . . . Once I looked at a little oil painting by Hitler's brush which had been put up in the Thyssen home as a matter of curiosity. Its architecture was very badly drawn." To Schacht, a member of the natural ruling class, Hitler was a boorish little corporal, who had some useful ideas and a way with the masses: a promising tool, who, unfortunately, got out of hand. "During the war he remained a lance corporal for four and a half years," says Schacht, as if no more need be said.

Schacht's account of the past also seems to be his guide to the future: to achieve the goals of German nationalism, leadership must be kept out of the hands of men of Hitler's class.

Such must have been the thoughts of the prominent Ruhr industrial leader who, a few weeks ago, tried to convince me that the Nazis really represented the extreme left wing of German politics. One of the reasons why the "anti-Nazi" nationalists are "anti-Nazi" may be seen in Schacht's sorrowful description of how he erred in judging Nazism. "All meetings and debates of those first months [of Hitlerism]," he writes, "indicated that the government did not consider or describe itself as national-socialist, but as national. Mentioned was always the national bloc, the national front, the national revolution —never a national-socialist one." Plainly, then, a national revolution against democracy would have been welcome. Plainly, too, such a revolution would be favored today by those nationalists who parade as the defenders of free enterprise and democracy.

It is best, perhaps, to ignore the indecent episodes of Schacht's—and the

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other nationalists'—resistance against Hitler. Thyssen shook his head. Schacht set out to fool everybody by sounding more Hitlerian than Hitler. "More than ever before," he recalls proudly, "I used Nazi phrases in my speeches in 1938. . . . The uninformed masses cheered when the merger with Austria, asked for by the Austrians again and again for two decades, became reality. The unpleasant form with which this merger was carried out went unnoticed in the rejoicing." The opposition that the Schachts were hiding behind the brave Nazi phrase was opposition to Hitler's "form" and manner, never to his principles. When the conspirators took up arms in 1944, many of the respectable right-wingers merely grasped at this last opportunity to desert the ship now that it was about to sink, just as they had at first helped hoist the sails for conquest.

In 1941, Schacht, according to his own report, advised Hitler to use all diplomatic means to end the war. He told the Führer that the time had come to stop "on the peak of his military success." By his own admission, Schacht knew that Germany was "not sufficiently prepared economically for a long war." One year earlier, in 1940, the financial wizard had even offered to go to the United States in order to "slow down America's aid program to British armament." There is every indication that the plans of the refined nationalists were simply more subtle, and therefore, perhaps, even more dangerous than those of the lowly corporal. Today this nationalist group has not only begun to rally; it has more funds, cleaner shirts, and, of course, more graceful table manners than Hitler's victims. Moreover, its members have usurped the halo of anti-Nazi conspiracy, and wear it jauntily.

Schacht maintains that as long as he was in office the economic rights of the Jews were protected. Aside from the falsehood of this statement, it is significant that Schacht favored giving the Jews of Germany the same "rights" as would be granted to foreigners—a highly doubtful privilege in Nazi Germany. He expresses horror over the murder of millions of Jews, but he declares: "My attitude toward the Jewish problem has always remained the same. I have always regarded it as contrary to the best interests of the Jews themselves that cultural key positions were coveted by them. . . . Cultural policy in a Christian state must not be exposed to non-Christians. . . ." When Hitler proclaimed a gigantic collective fine against all Jews, and it was found that the money could be paid only if additional banknotes were printed, with Jewish property as their support, Schacht recalls: "An ice-cold sensation went down my spine." Was this a reaction to the monstrosity of the injustice? No, simply the financier's terror: "We had arrived at the printing of worthless money."

With monotonous similarity the non-Nazi nationalists, from the pathetic old Thyssen to the vigorous new leaders of the Ruhr, keep repeating that they are not politicians, know nothing about politics, and regard themselves as "just plain businessmen." Then they discuss national and international economic policies that make Hitler's geopolitics sound like a beginners' course. Schacht himself, formerly an advocate of German colonial expansion, a few weeks ago told an interviewer from the New York *Herald Tribune* that Germany should become the instrument of President Truman's plan to develop backward areas. Link that with Schacht's expressed admiration for "the sensible policy of Bismarck."

All the nationalists—after loud condemnation of the Nazi interlude—call for a return to the day just before yesterday. They do so, not because they loved the struggling Weimar Republic, but rather because the democracy of that period was too harmless to disturb the pattern of their own power and dreams. If only the clock could be turned back, they feel, they would have the sense not to fall for a "half-educated" upstart again. This time the legitimate children of the ruling caste would fend off interlopers.

Any move, therefore, to break up the status quo is violently attacked. Mention re-education, and Schacht answers: "One ought to keep in mind that the German people from Charlemagne (Karl the Great) to the French Revolution had been culturally the dominating and leading nation of Europe." Mention reorientation, and Schacht answers: "The ideas of race, leadership principle and militarism have not been taken seriously by as many as five per cent of the population. The people themselves have shown nothing but sympathy for the Jews, persecuted by the party. . . . The Nürnberg trial has not offered any proof that the mass of the German people had anything whatsoever to do with the Nazi ideology which has been formulated (sic) by the prosecution."

There is a dangerous temptation for American observers to swallow the German rightists' defense of the pre-Hitler status quo. The temptation arises out of the false equation of the American conservative with the German nationalist. The fallacy is in the fact that the American wants to preserve a status quo that is already democratic; the German wants to re-establish the springboard from which any democratic opposition to the authoritarian, caste-ordered state can be destroyed. There is a great temptation to say, amiably, that politics is politics—whether the scene is Germany or America. Schacht exposes this fallacy simply: "Only people with full stomachs are democrats." But lest we be tricked into accepting these deceptive apologies, it should be recalled that, under the Greater German Way of Life, many western European democrats managed to hold onto their ideals on very insufficient diets.

Although Schacht refuses to take even an infinitesimal part of the responsibility for Germany's wrongs, he constantly manages to stress his own prominence. In this he is symbolic of all German nationalists: They reject the idea of Germany's guilt; but at the same time they see Germany and German problems as paramount.

In Schacht and the nationalists there is a surface veneer of piety and *Kultur*. Twin trademarks of these men's outlook—both are just as hollow and dishonest as the disavowal of "politics" by people who have freely offered their economic power and genius to a political oppressor and a military aggressor. Their "resistance" developed only when Hitler—presumably their willing tool—showed he had a mind of his own and made them, too, his slaves. His sin, however, became unforgivable only when he staggered into defeat. Failure was the supreme crime. Bad manners and "half-education" were the real horrors. The corporal—almost alone—is guilty. He lost. He lacked *Kultur*.

—Fred M. Hechinger

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A Party in the Ruhr

Some of the Reich's old armorers admire our methods, but are ready to do business with Russia if we don't provide them with markets

An Englishman who had spent many years in Germany gave me a friendly bit of advice in Düsseldorf: "If you really want to know what is going on here, talk to businessmen. You can ignore the politicians. They are just mouthpieces, who don't always understand the real forces behind them, but the 'economic elite' [by which he meant the businessmen] are shaping present-day Germany."

This seemed sound advice, and I took it. I roamed the Ruhr and the Rhineland, and talked to merchants, entrepreneurs, bankers, and manufacturers.

I had met Herr B. a machine-tool manufacturer employing about three hundred workers, a few years ago when I was in military government. One Sunday afternoon I went to his villa, and we had a long talk. He was, as usual, immaculately dressed. He admitted that business was excellent. I saw hundreds of empty wine bottles neatly stacked against a wall in the garden, and he told me that his cellar was full, as usual. Everything was going fine, but he would have liked a bit more export trade. He wished the British would relax some of their controls, as he could have sold plenty abroad. Still he didn't want to complain: The plant was operating on three shifts. No, he had no trouble with labor. The workers were docile and co-operative, though he could not deny that they earned just enough to live on. . . .

At this point his father came in—an old gentleman with a Hoover-type collar, a goatee, and lively blue eyes. Half a century ago he had founded the business that his son was now running, and he still kept a shrewd eye on it. "Well, well, well," he exclaimed. "So we have an American visitor, how interesting. . . . Always did want to meet Americans. Why? I'll tell you why, young man. Because they're smart. Real horsetraders, that's what they are. You deal with them, and if you're not quick and sharp you lose your pants to them. Look at the way they came out of this war. Everybody was ruined, but the Americans ended up with all the money in the world. *Kolossal!*" His son tried to nudge him into silence, but the old man would not stop. "Don't shush me, son; you always say the same thing I do, so why aren't you frank with your visitor? Truth doesn't hurt anybody," he said. "*Die Amerikaner* will end up owning the world. What smartness! What cunning! I say, let's learn from them."

While America is the businessman's model, Britain is his object of scorn. For one thing, he knows that the British standard of living is lower than the German. For another, he considers the British unfair competitors and economic inferiors. Germans find a grim *Schadenfreude* in the fact that the British victors eat less than they, the defeated. Opinion is practically unanimous that the British went to war with Germany twice for one, and only one, reason—fear of German competition in the world markets. Moral or strategic reasons are ignored. All over Germany one hears a repetition of the same argument: "The British industrial system is antiquated and its world-market position is based upon privilege. Given any kind of a chance, we can outproduce and outsell them everywhere. They know it and so they fear us. That is why they are determined to destroy us. That is why they are now dismantling our industrial plants."

This line of thinking, it must be admitted, antedates Hitler and Goebbels. It has deep historic roots, going back to the days of old imperial rivalries.

Has there then been no change in the German mind? I believe that the business community has changed in one essential—it has reduced the scale of its ambition. Responsible Germans no longer think of conquering the world; but they are certain they can dominate Europe, at least economically. They are aware that the earth is now shared by two super-powers. But they know that they have the finest and most productive industrial plant in Europe—and that they have a wonderful bargaining position between the two super-powers.

This was brought home to me by a group of Ruhr-Rhineland industrialists and businessmen. A textile manufacturer, whom I had known during the war days, phoned to ask whether I was willing to meet some of his business associates at a private party in Düsseldorf. They were anxious that I should hear the "objective point of view" of German businessmen.

We assembled after dinner in the

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comfortable office quarters in back of one of the plants. There were eight of them, well-groomed, suave, and extremely self-confident. On the floor were three cases of wine, and the big electric icebox was full of bottles. Hour after hour the host kept filling our glasses, and then the tongues loosened.

"The whole world hates us Germans," said the banker.

"I am not so sure," said the silk manufacturer. "Last month I was in Holland and was cordially received, even by the Jews."

"Bah, the Jews!" exclaimed the department-store owner. "They'd do business with anybody."

"*Nah,* that's not right," the machine-plant owner objected. "The Jews are like us Germans. They're smart and efficient, just as we are. That's why people don't like them and don't like us."

"Anyhow," said the building contractor, "the world doesn't like us, that's certain. But we'll show them. Brains and German energy will win."

I said I thought they were conceited and living in a fool's paradise. Where, I asked, were they going to find markets?

This led to long and intense arguments, among themselves and with me. Boiled down, their thought ran as follows: "There is no question about it, we are now a force to be reckoned with again. Europe needs us; it cannot be rebuilt without Germany. Afterwards we'll see. Situated as we are, we have two choices. We can turn west, if the United States opens up markets to us, gives us a chance to do business in South America, for example. Or we can turn East toward our traditional field of operations. If the Americans don't provide us with markets or treat us as equals, then Russia might again become our friend."

I said that I was shocked to hear capitalists wanting to make an economic alliance with Communists.

"*Pfui,*" exclaimed the banker, who by now had become spokesman for the group. "Such *Unsinn,* such naivete! Communism, that's merely dope for the ignorant masses. The Russian rulers know that. Like us, they are hard-headed. We and the rulers of Russia understand each other."

—Saul K. Padover

Germany's Stepchildren

Thrown out by old neighbors, unwanted by new, nine million refugees haunt the western state

The summer sun beat on the dusty flatlands of Dachau. From the sprawling barracks, where once the inmates of the concentration camp had lived, there streamed almost twenty thousand shabby men and women.

Many of them looked intense and angry as they massed in the wide square opposite the gray building which had housed the gas chamber. They squeezed as close as possible to a platform on which a middle-aged man with burning eyes began to speak, gradually working up the controlled rage of a practiced orator.

"Let them remember," he shouted in German which had the intonation of the Sudetenland, "that we are German, too, that German blood runs fiercely through our veins. Let them no longer dare to treat us as aliens in an alien land. When the might of the Fatherland was marching in triumph, we marched along. Let them care for us now in defeat."

The audience—all Germans who had been expelled from other European countries after the war—roared approval, but the speaker waved for silence. "We must not let them provoke us to violence," he said more gently. "That's what they want—to break and destroy us.

"Yet I tell you this," and again his voice rose, "when they say to us, 'We have no money to care for you,' we must demand that they find money. When they say, 'there are no jobs, no homes,' we must reply, 'find jobs, find homes, or we will rise in our righteous might against you.'

"And if," he shouted, "the German treasury cannot provide for our needs, let the Americans take care of us. They are spending billions in preparing to start the next world war. Let them take that money to feed and clothe us."

For an hour he ranted on against the German and the occupation authorities. Every once in a while he asked his listeners to "remain calm," but these appeals only incited the crowd to noisier anger, as, it seemed, they were meant to. When he finished, with a crescendo of denunciation, the inhabitants of Dachau picked up clubs and stones, stormed out of the camp, and did their best to smash several neighboring towns and villages, before police managed to round them up.

The speaker, Egon Hermann, who is known as the "demagogue of Dachau," is something of a mystery. He arrived in the former concentration camp in June, 1948, after having, he said, been expelled from Prague. Investigators who have looked into his movements, however, believe that he and his wife left Czechoslovakia in 1946 for the Russian Zone of Germany, and that, from then until May, 1948, he returned to Prague freely and worked there intermittently. His wife still lives in the Soviet Zone.

Hermann has been called both a neo-Nazi and a Soviet agent. His own words provide some support for both accusations. He proclaims with pride that he was a Nazi. He denies that he is a Communist, but he has said: "My political conviction is the color of my heart's blood. The day will come when we shall take what we want."

Whatever Hermann's political coloration, his political ambition is plain. He aspires to be the Führer of all the Germans repatriated to Germany, and ultimately, perhaps, of the whole country. After the Dachau incident

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he was sentenced to a year in prison for inciting to riot, and he has privately called his sentence "a badge of honor" and compared it to that of Hitler in Landsberg prison.

There is no mystery about the people to whom Hermann has made his primary appeal. They are Germans and people of German origin who have, during the last four years, been kicked out of the countries of eastern Europe into a Fatherland which has no room, few jobs, and little understanding to offer them. So far Hermann has made little headway with those outside of Dachau.

There are nine million or more of these *Flüchtlinge*—about two and a half million from the Sudetenland and the rest of Czechoslovakia; half a million from Hungary; half a million from Yugoslavia; some quarter million from Roumania; more than a million from what was prewar Poland, and the rest, close to five million, from the eastern German territories that were transferred to Poland after the war.

Most of this latter group first went to the Soviet Zone, as they were supposed to under the Potsdam agreement. Hundreds of thousands, however, moved on to the western zones to escape being drafted for labor in uranium mines, or because they grew sick of being treated as second-class citizens by their countrymen, or because they had no liking for the "new democracy" of Soviet Germany. An estimated forty to sixty thousand are still coming to west Germany every month.

This mass of displaced Germans—in a strange and often hostile environment, resentful and deeply resented—constitute perhaps the gravest menace to the development of democracy in western Germany.

Propertyless, bitter about their expulsion from lands where they had lived all their lives, these nine million are dangerously susceptible to the blandishments of any new demagogue. At the same time, their presence in every city, town, and village of the western zones inevitably whips up a spirit of irredentism among the native Germans, and leads too easily to talk of a new war to win back "lost territories" of the Fatherland.

On August 2, 1945, when the United States and Britain signed the Potsdam agreement, they agreed reluctantly, at Russia's insistence, that "the transfer to Germany of German populations . . . remaining in Poland, Czechoslovakia and Hungary will have to be undertaken." They insisted, for what it was worth, that any transfer "should be effected in an orderly and humane manner." As it has worked out, Germans have been expelled from other countries besides those mentioned at Potsdam, and the transfers have been anything but "orderly and humane."

The Sudeten Germans were given only a few hours to cross the Czech borders, and they were allowed to take only those possessions that they could carry on their backs. From Yugoslavia, many Germans were not permitted even to take extra clothes. From Silesia, they had to travel by foot across the new Polish border to the Russian Zone of Germany.

The Potsdam signatories had requested the Czechs, the Poles, and the Allied Control Council in Hungary to suspend further expulsions until the distribution of the expellees could be worked out and facilities found for them. That plea was generally ignored.

The welcome in the homeland was no warmer than the farewells. In almost every German community, the local people did not have enough food, clothes, jobs, shelter, or money. So the refugees were mostly shoved into old army barracks and former concentration camps, where they were given meager rations and crowded, often filthy, quarters.

Whatever the location of these camps—from southern Bavaria, where more than two million expellees have settled among the clannishly hostile natives, to the little northern state of Schleswig-Holstein, where the refugees comprise nearly half the population—the inmates are similarly miserable and poverty-stricken.

In a camp outside of Ludwigsburg, in Württemberg, I heard a typical story of wanderers who were once proud of their blood relationship to the Fatherland—people whom Adolf Hitler once grandly insisted were his charges no matter where they lived.

Eleven persons were squeezed into a barracks room, heavy with the odors of stale straw and unwashed bodies. As I came into the room, they all fell silent, and a man came up and introduced himself as Herr Manfried Abusch. He pointed out his wife, her mother—a wraith of a woman who, I found out, was eighty-three—and his twin fourteen-year-old sons, Horst and Helmuth. They occupied the five beds in one half of the room, Abusch said. The six beds across the aisle belonged to the family of Herr Arthur Koeppler.

Early in 1946, the Abusches and the Koepplers had all been expelled from Yugoslavia, where their families had settled before the turn of the century. The Koepplers had owned a tinware shop at Samobor, a village near Zagreb, in Croatia, and Abusch had owned a sizable farm, on which he had employed four tenant families.

Abusch had been conscripted by the German Army when it swept across Yugoslavia. He was captured in Italy, and released four months after the war ended. When he returned home, he found that his farm had been divided among three of his tenants and the local chairman of the People's Front. Koeppler's shop was confiscated in February, 1946, and a month later the two families, along with three others of German origin in the village, were ordered to leave the country. They were taken to the Austrian frontier in an army truck.

The Abusches and the Koepplers went to a camp at Graz, where a cousin of Koeppler's lived. With this man's help, Koeppler found a job in a cheese-processing plant, and Abusch received temporary work as a common laborer. Two years later, the cousin died. Koeppler's job was taken by a native Austrian. Unable to get new work, both men were notified by the local housing office that they had to clear out of

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their lodgings. Soon, a local official told them that it might be better if they left the country altogether. After all, he said, they were Germans, not Austrians. Why didn't they go home?

Herr Koeppler had a relative in Germany, too—a prosperous granduncle in Stuttgart. So, the two families again picked up their few belongings, and trudged over the hills into Upper Bavaria, dodging the border police because, like most of the refugees, they had no entry permits.

When they finally arrived in Stuttgart, another blow fell. The granduncle and his house had both vanished during the war. The Abusches and Koepplers had no choice but to report to the local refugee authorities. They were sent to the camp at Ludwigsburg, after hearing a violent tirade about their illegal entry into the country. There were nearly three-quarters of a million refugees in Württemberg-Baden already, an official told them. How did these migratory idiots think the citizens of Germany could continue to support this never-ending influx? These *Flüchtlinge* were not real Germans; they were just troublemakers. Why didn't they go somewhere else?

The Koepplers and Abusches took the abuse, and they took the single room in a stone barracks which was made available to them. There they have been ever since.

Uprooted, penniless, almost hopeless, these eleven people now have two driving compulsions: to find, once more, enough to eat and a place in which they may have some privacy; and to get revenge on the Yugoslavs and all the others who deprived their lives of stability, aim, and security.

In fairness to the state governments in the western zones, it must be reported that most have made genuine efforts to do something about the problem of the *Flüchtlinge*. Although many refugee officials, in the tradition of German bureaucracy, have been more concerned with their dignity than their responsibilities, government policy has been to do everything possible to process and rehabilitate the expellees.

Practically every state has either a Ministry or a State Secretariat for Refugees. In some cases, the administration has been entrusted to men who are themselves expellees. Their principal task, after the initial processing, has been to settle the new arrivals where they will cause the least social and economic dislocation, and where there is most room.

This has been enormously difficult. Even in Bavaria, the richest state in western Germany, two persons are assigned to every habitable room. There simply is not enough space to absorb the expellees.

The refugee offices try to place expellees on an equal footing with the rest of the population in allocation of housing space, but they rarely succeed. In the spring of 1949, there were estimated to be nearly four refugees to a room in western Germany—and that did not include those in the camps, where the figures were far higher.

The second major task of the refugee administrations has been to find work for the new arrivals. Again, the theory has been that job allocation would be made equally and without discrimination against the expellees. Again, in practice, that has failed.

Local hostility has made the work of refugee officials enormously difficult from the beginning. However Hitler regarded the *Volksdeutsche*—the racial Germans whom he once ordered to stand by the Fatherland—most of the German people regarded them after the war as squatters, aliens, and as no responsibility of theirs in any case.

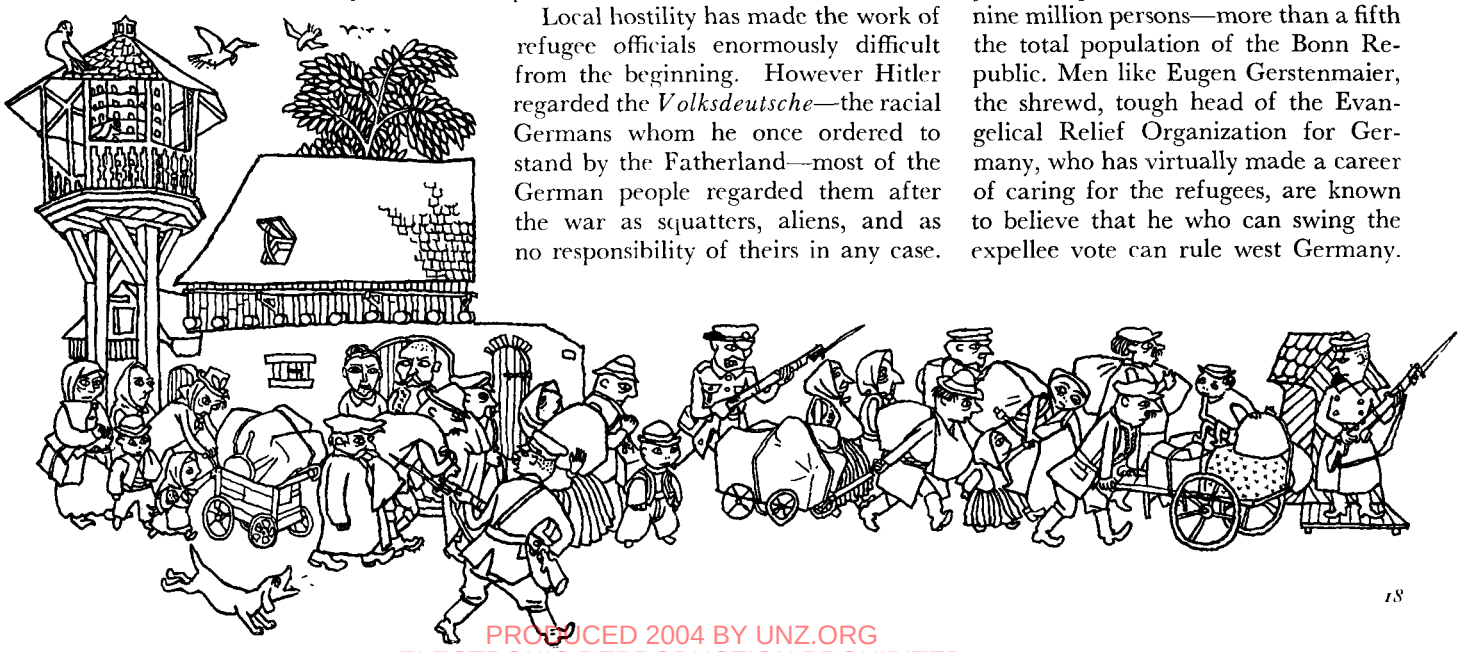
On the heels of the economic boom brought about by ECA aid and currency reform, western Germany has recently been cursed with its largest-scale unemployment since the war. The total of jobless at the end of the summer of 1949 was nearly a million and a half. An estimated one-third of the unemployed were refugees. Hundreds of thousands of others found only casual or part-time labor, and had to be partially supported by the German state governments.

Even among those lucky enough to have found jobs, the wage standards are much lower than among the local population. At the end of 1948, thirty-seven per cent of the refugees quizzed in a military government survey reported incomes ranging *downward* from a hundred *Deutsche Mark* monthly—a wage barely adequate to keep body and soul together. Only about nineteen per cent, or about half this many, of the indigenous Germans reported a wage as low.

Furthermore, millions of refugees are still separated from their families. Many more are too old or too sick ever to be rehabilitated.

A recent survey showed that, while nearly three quarters of the married German population had finally been reunited with their families, only slightly over half of the married *Flüchtlinge* were together with their husbands, wives, or children. Homes for the aged and sick are already jammed as a result of wartime dislocations.

The politicians of western Germany are struggling to relieve the situation, and not only out of civic and humanitarian motives. They realize just how potent a political force is this bloc of nine million persons—more than a fifth the total population of the Bonn Republic. Men like Eugen Gerstenmaier, the shrewd, tough head of the Evangelical Relief Organization for Germany, who has virtually made a career of caring for the refugees, are known to believe that he who can swing the expellee vote can rule west Germany.



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Most of all, the politicians realize that the expellees are a problem which Germany today cannot solve by itself, no matter how determined, intelligent, and unselfish the approach.

Eleven years ago Adolf Hitler began his march to conquest under the banner of *lebensraum*—living space for the German people. Little as the cry for *lebensraum* was justified then, even those bitterly hostile to Germany cannot deny that the remaining German territory is desperately overcrowded now. Today forty-eight million people live in an area where before the war there were thirty-eight million, an area in which a third of the dwelling space has been demolished. The density of the population in Trizonia today has been put at 512 persons per square mile—more than twice the population density of France, and higher than that of any nation in continental Europe except Belgium, the Netherlands, and Monaco.

Inevitably, lack of space and employment will lead—when Germany's voice is heard again in the councils of the world—to a new irredentism. The powerful expellee minority, led by its Egon Hermanns, will demand that the Fatherland regain for them their lost lands and lost homes.

The only healthy solution is one suggested, interestingly enough, by France. At the Foreign Ministers' conferences held in Moscow and London in 1947, Georges Bidault warned the other powers that these evicted millions must be dealt with carefully and sympathetically, if a peace treaty with Germany was to have meaning.

His own proposal was for an international agreement to sponsor large-scale German emigration—not of the kind by which Hitler infiltrated his victim countries, but of a sort that would make possible genuine assimilation of the *Volksdeutsche* in countries populated sparsely enough to absorb them.

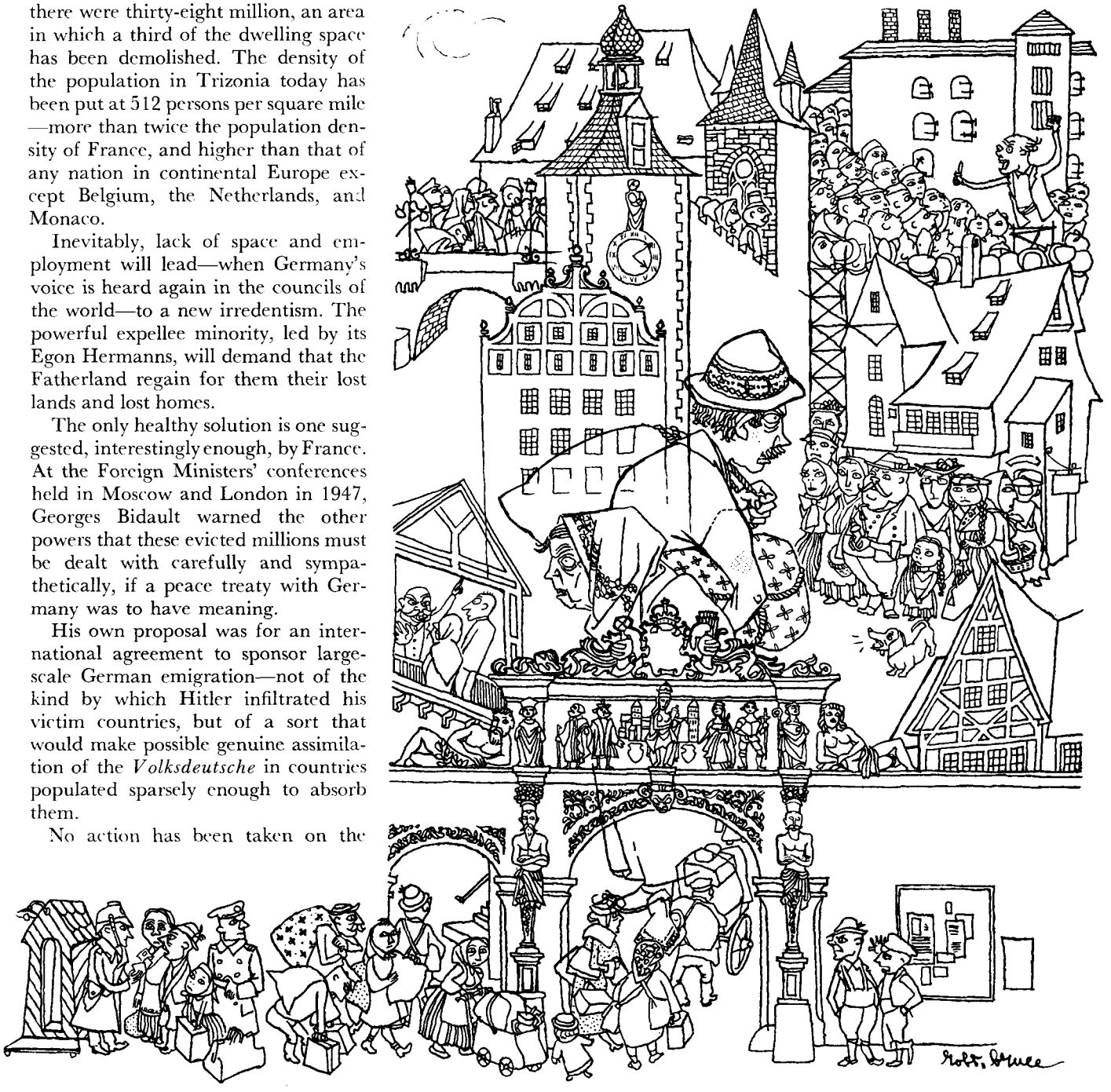
No action has been taken on the French proposal, nor has any other solution been offered. Day by day the influx of refugees continues.

Dr. Wolfgang Jaenicke, State Secretary of Refugees in Bavaria, and himself an exile from Silesia, told a reporter recently, "We know that it was the mad policies of Hitler which set in motion the horror which led to this enormous reshuffling of peoples. Yet we cannot see how Germany alone can ever cope with a mass of more than nine million people, evicted from their homes and deprived of their property.

"I suppose," and he smiled wryly, "you could call the *Flüchtlinge* our German war surplus. We cannot convert them to peacetime use within the borders of our own shrunken country. And there is little demand for them elsewhere. The human markets of the world are already glutted with refugees; people who have been driven from many places, for many reasons."

—Ernest Leiser

(This article is an abridged version of a chapter Mr. Leiser has contributed to This Is Germany, *which will be published by William Sloane Associates early next year.)*



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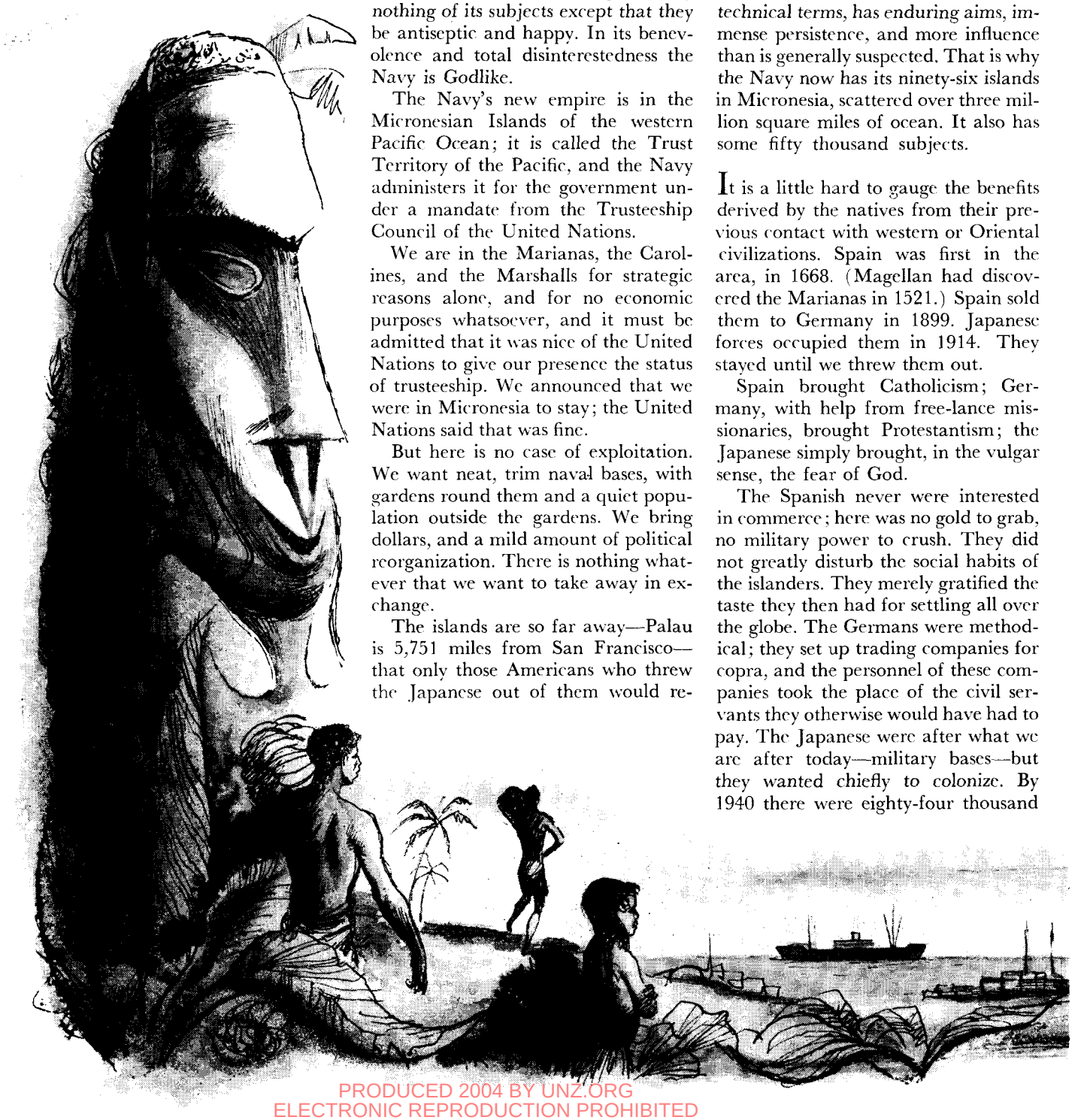
To Man's Measure . . .



The Navy In Micronesia

The United States Navy now has an empire all its own. Creating a strange exception to the concept of empires in the past, the Navy demands practically nothing of its subjects except that they be antiseptic and happy. In its benevolence and total disinterestedness the Navy is Godlike.

The Navy's new empire is in the Micronesian Islands of the western Pacific Ocean; it is called the Trust Territory of the Pacific, and the Navy administers it for the government under a mandate from the Trusteeship Council of the United Nations.

We are in the Marianas, the Carolines, and the Marshalls for strategic reasons alone, and for no economic purposes whatsoever, and it must be admitted that it was nice of the United Nations to give our presence the status of trusteeship. We announced that we were in Micronesia to stay; the United Nations said that was fine.

But here is no case of exploitation. We want neat, trim naval bases, with gardens round them and a quiet population outside the gardens. We bring dollars, and a mild amount of political reorganization. There is nothing whatever that we want to take away in exchange.

The islands are so far away—Palau is 5,751 miles from San Francisco—that only those Americans who threw the Japanese out of them would remember them now. The Navy remembers them very well.

Behind all the shifts in American foreign policy, the lapses in interest, the sudden excitements, the Navy is one American institution that thinks in technical terms, has enduring aims, immense persistence, and more influence than is generally suspected. That is why the Navy now has its ninety-six islands in Micronesia, scattered over three million square miles of ocean. It also has some fifty thousand subjects.

It is a little hard to gauge the benefits derived by the natives from their previous contact with western or Oriental civilizations. Spain was first in the area, in 1668. (Magellan had discovered the Marianas in 1521.) Spain sold them to Germany in 1899. Japanese forces occupied them in 1914. They stayed until we threw them out.

Spain brought Catholicism; Germany, with help from free-lance missionaries, brought Protestantism; the Japanese simply brought, in the vulgar sense, the fear of God.

The Spanish never were interested in commerce; here was no gold to grab, no military power to crush. They did not greatly disturb the social habits of the islanders. They merely gratified the taste they then had for settling all over the globe. The Germans were methodical; they set up trading companies for copra, and the personnel of these companies took the place of the civil servants they otherwise would have had to pay. The Japanese were after what we are after today—military bases—but they wanted chiefly to colonize. By 1940 there were eighty-four thousand

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Japanese—mostly Okinawans, sort of lower-class Japanese—settled on the islands; that is to say, there were more Japanese than natives. There was indeed room for the Japanese, since the effect of contact with the West had been the decimation of the native population by imported diseases.

The Navy is tackling a puzzling task with professorial seriousness. It started out with CIMA (Coordinated Investigation of Micronesian Anthropology) and in 1947 sent out thirty-five anthropologists. It opened a School of Naval Administration (SONA) in cooperation with Stanford University.

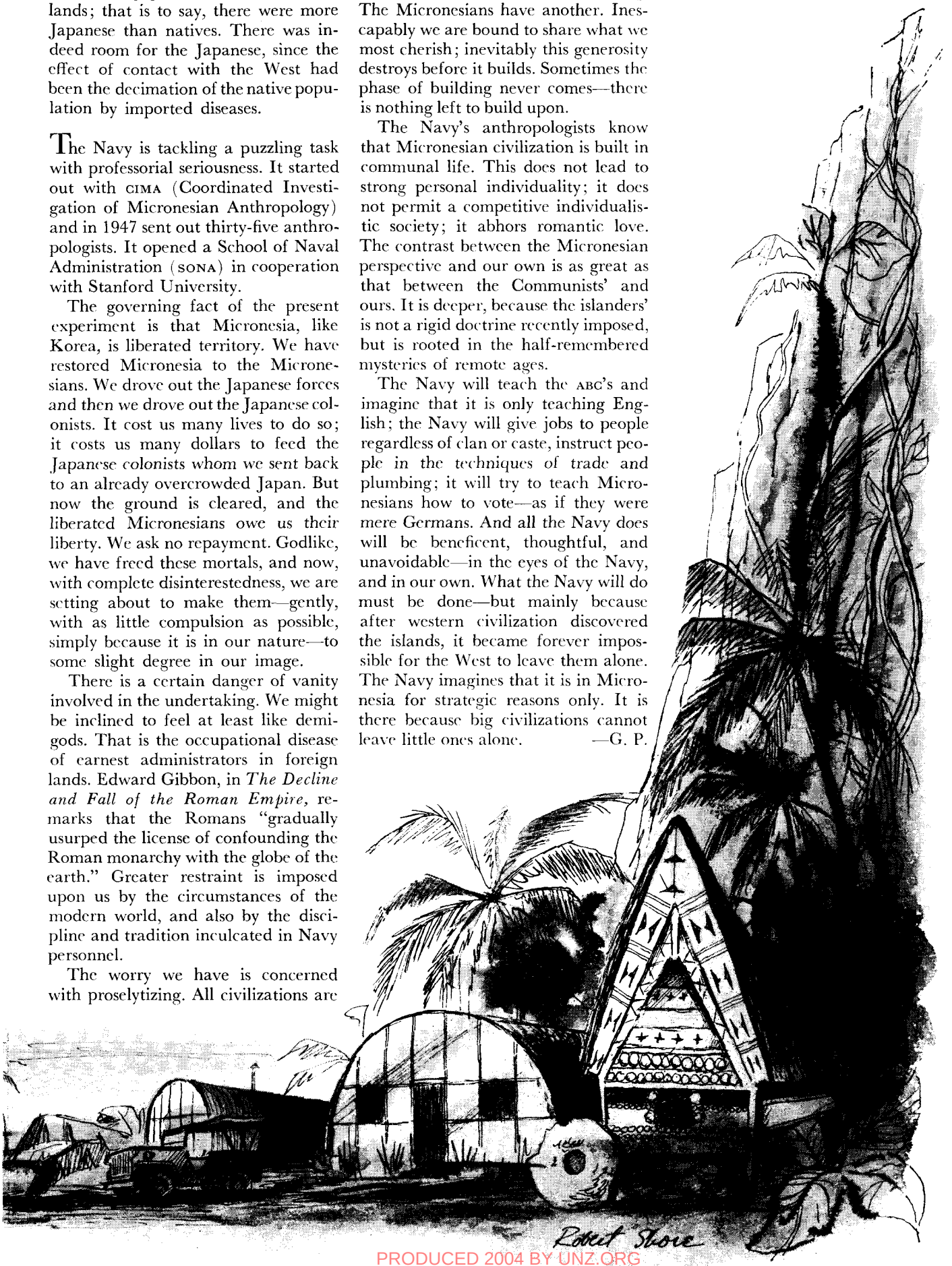
The governing fact of the present experiment is that Micronesia, like Korea, is liberated territory. We have restored Micronesia to the Micronesians. We drove out the Japanese forces and then we drove out the Japanese colonists. It cost us many lives to do so; it costs us many dollars to feed the Japanese colonists whom we sent back to an already overcrowded Japan. But now the ground is cleared, and the liberated Micronesians owe us their liberty. We ask no repayment. Godlike, we have freed these mortals, and now, with complete disinterestedness, we are setting about to make them—gently, with as little compulsion as possible, simply because it is in our nature—to some slight degree in our image.

There is a certain danger of vanity involved in the undertaking. We might be inclined to feel at least like demigods. That is the occupational disease of earnest administrators in foreign lands. Edward Gibbon, in *The Decline and Fall of the Roman Empire,* remarks that the Romans "gradually usurped the license of confounding the Roman monarchy with the globe of the earth." Greater restraint is imposed upon us by the circumstances of the modern world, and also by the discipline and tradition inculcated in Navy personnel.

The worry we have is concerned with proselytizing. All civilizations are persuaded that their manner of life is the best. We have one way of living. The Micronesians have another. Inescapably we are bound to share what we most cherish; inevitably this generosity destroys before it builds. Sometimes the phase of building never comes—there is nothing left to build upon.

The Navy's anthropologists know that Micronesian civilization is built in communal life. This does not lead to strong personal individuality; it does not permit a competitive individualistic society; it abhors romantic love. The contrast between the Micronesian perspective and our own is as great as that between the Communists' and ours. It is deeper, because the islanders' is not a rigid doctrine recently imposed, but is rooted in the half-remembered mysteries of remote ages.

The Navy will teach the ABC's and imagine that it is only teaching English; the Navy will give jobs to people regardless of clan or caste, instruct people in the techniques of trade and plumbing; it will try to teach Micronesians how to vote—as if they were mere Germans. And all the Navy does will be beneficent, thoughtful, and unavoidable—in the eyes of the Navy, and in our own. What the Navy will do must be done—but mainly because after western civilization discovered the islands, it became forever impossible for the West to leave them alone. The Navy imagines that it is in Micronesia for strategic reasons only. It is there because big civilizations cannot leave little ones alone. —G. P.



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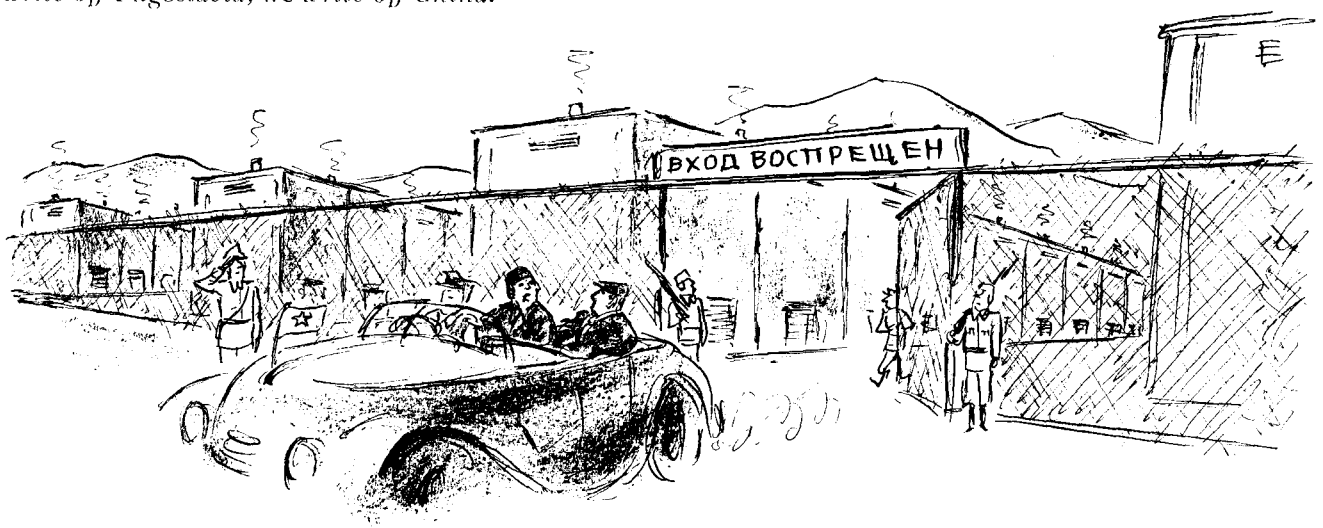
Foreign Affairs

By Alan Dunn

"Dammit, if we don't maintain relations with the United States we won't be able to get the parts."

"So, comrades, it is the commission's opinion that by our policy of permitting each kolkholz *peasant to own his own half acre of land Russia is blissfully driving down the back road to capitalism."*

"Well, there you are—they *write off Yugoslavia,* we *write off China."*



"I confess I was worried—America had me thinking we wouldn't get it until 1952."

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Washington

Two Hard-Working Lobbyists

Lobbying, an old profession with a rather shady reputation, is specifically protected by the Constitution, which declares that "Congress shall make no law . . . abridging . . . the right of the people . . . to petition the government for a redress of grievances." Though this is reasonably clear, Congress sometimes becomes extremely suspicious of lobbyists and decides to take a careful look at their activities. That is happening now, and it is a large order. Washington lobbyists peddle many products in many ways.

The Congressmen will have to consider, for instance, both John W. Edelman of the Textile Workers Union, (CIO) and Robert C. Jackson of the National Cotton Council.

Edelman is a tall, thoughtful man with long experience in the labor movement, and a boyish passion for wild-West movies. He is fifty-six years old, and is paid $5,200 a year for representing the 450,000 members of his union. Jackson, who is thirty-eight, makes fifteen thousand dollars a year for representing an amorphous organization of cotton farmers, ginners, warehousemen, and merchants, as well as owners of textile and cottonseed-crushing mills. He feels that, in a way, he represents the eight million people who live on cotton farms or who make a living out of processing cotton. These include, of course, the cotton textile workers whose union hires Edelman. More often than not, however, Edelman and Jackson interpret the long-run interests of the cotton industry in contrary ways. They use vastly different techniques in trying to promote those interests. Edelman goes in for pressure generated in a Congressman's home district. Jackson is more fortunate: He can act directly through the ready-made Southern cotton bloc in Congress.

Despite a law which requires lobbyists to register with and submit financial reports to Congress, and in spite of periodic investigations in the past, no one knows exactly how many lobbyists there are in Washington. Registration forms are on file for over fifteen hundred, making about three lobbyists for every member of the House and Senate. These registered lobbyists admit to spending more than eight million dollars a year. Most of this goes for such prosaic items as salaries, office rent, and postage. The lobbyists' salaries range all the way from none at all to sixty-five thousand dollars a year, a wage received by Purcell L. Smith, president of the National Association of Electric Companies. The average is somewhat less than a Congressman's salary—fifteen thousand dollars a year. The work is hard and generally thoroughly respectable. Expense accounts are moderate; mimeograph paper is a more frequent item than cases of champagne.

Edelman got into the labor movement as a teacher in a workers' school in New Jersey. He worked as a press agent for both Sherwood Anderson and Thorstein Veblen, and was Pennsylvania state manager of the 1924 LaFollette Presidential campaign. For ten years before the formation of the CIO, he was research director of the American Federation of Hosiery Workers. In this job, he began to preach the necessity of organizing the South, fought labor injunctions, and became something of an expert on workers' housing (he is proud of the fact that the first draft of the Wagner Housing Act was written in his home). He has been lobbying for the Textile Workers since 1943.

Edelman is paid by the Textile Workers, but he is expected to work on the whole CIO legislative program, and to co-operate with other CIO lobbyists. This year the general campaign has called for the repeal of the Taft-Hartley Act, a higher minimum wage (for which Edelman organized and co-ordinated all CIO testimony before Congress), a long-range housing program, and increased social-security benefits.

There are three degrees of lobbying. In the first, the lobbyist works on the Congressman directly. In the second, the lobbyist tries to persuade somebody else to do it for him. Quite often, the lobbyist tries to persuade somebody else to persuade somebody else to contact the Congressman; this is the third technique of lobbying. It works on the principle that if you get public opinion on your side, Congress will follow. The third type of lobbyist thinks that the easiest place to influence Congressmen is in their home districts. What this amounts to, when successful, is that the public does your lobbying for you.

Edelman is one of the lobbyists who devote more attention to a careful cultivation of the voters back home than to buttonholing Congressmen in Washington. The Textile Workers Union has a political action committee in every one of its eight hundred locals. Edelman admits that not all of the local committees function, but at least they exist on paper. He sends them a constant stream of reports and suggestions, which always include an exhortation to "write your Congressman and Senators." The union has even organized classes in how to write to a Congressman. Despite all this, Edelman says, "it's still the greatest accomplishment in the world to get a worker to write a letter."

Edelman also uses the union's political action committees for indirect influence on Congressmen. "Find out what individuals or organizations in your district have the greatest influence with your Congressman," he tells the locals, "then get them on your side."

For example, Textile Workers' locals throughout New England have been

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hammering away at state legislatures, and even Chambers of Commerce, to get them to back an increase in the minimum wage from forty to seventy-five cents an hour. By one argument or another, including the one that without a higher minimum industries are going to keep on leaving New England, the locals have lined up a virtually solid front. The New Hampshire State CIO Council, headed by a Textile Workers' representative, finally got the New Hampshire Legislature to ask Congress for a seventy-five-cent minimum. Edelman says this brought Senator Styles Bridges into line.

This technique is also used by other pressure groups, like the National Association of Real Estate Boards, the American Legion, and the private power companies.

Jackson doesn't spend nearly as much time as Edelman on indirect lobbying. He doesn't have to. The perfectly disciplined platoon of Southerners requires no persuasion to exert itself on behalf of the cotton industry.

Like so many other prominent pressure groups, the National Cotton Council was not set up with lobbying in mind. It did not even have a Washington office until 1944. Its purpose has always been to increase the consumption of cotton, and Jackson's job is to encourage government policies and legislation to that end.

Just as Edelman has spent his life close to the labor movement, Jackson has always been close to cotton. He grew up in the Mississippi Delta country, and after a couple of years at the University of Mississippi, took a job in the county agent's office in Macon. Shortly after Oscar Johnston, a wealthy Mississippi planter and cotton expert, organized the National Cotton Council in 1938, Jackson became its Mississippi field director. Except for a couple of years with a seed company in South Carolina, he has worked for the council in some capacity ever since.

Because Jackson is interested only in selling cotton, he usually operates as a lone wolf, leaving the logrolling to the cotton bloc in Congress. He rarely approaches a non-Southern Congressman, and knows only about a third of the Southern delegation personally.

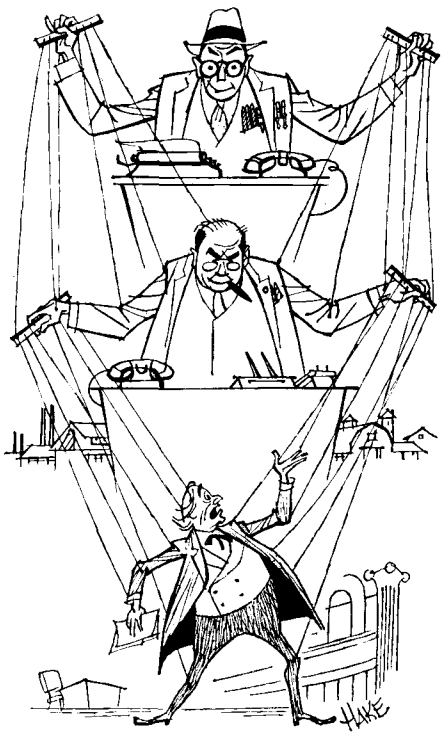
Taking care of cotton is a complicated business, however, and Jackson sometimes finds himself lobbying on foreign policy, minimum wages, or even the Taft-Hartley Act.

The first great lobbying achievement of the Cotton Council, before Jackson came to Washington, was an amendment to one of the wartime price-control bills requiring that ceilings on cotton be based on parity, instead of market, prices. The passage of this amendment led *PM* to call the Cotton Council "the most powerful lobby in Washington."

The council also has to its credit the Research and Marketing Act of 1946, which gave the government the job of doing the cotton industry's research for it. The council originally proposed the law because it didn't have the money to carry on some research it wanted done. The bill was broadened to include all agriculture, and passed Congress without dissent.

This year Jackson has been concerned with repeal of margarine taxes, appropriations for the European Recovery Program, and a new cotton-acreage-allotment system. He is also proud of an amendment he had inserted in the Commodity Credit Corporation charter, authorizing the trading of surplus farm commodities to various foreign countries in return for strategic and critical materials needed for stockpiling.

Jackson at one time worked hard for economic aid to Spain because he saw



an outlet for surplus cotton, but he ran into too many objections from the State Department. He opposed the seventy-five-cent minimum wage on the theory that it would put part of the cotton industry out of business. He also opposed repeal of the Taft-Hartley Act, especially its restrictive provisions on secondary boycotts and jurisdictional strikes, out of fear that organized labor might consider boycotting Southern textiles.

Like all other lobbyists, Edelman and Jackson know that threatening Congressmen is an inefficient way of lobbying. A Congressman with a fair amount of experience knows just how powerful each pressure group is in his home district, and exactly what punishment he must expect from labor or from millowners for an unfavorable vote. A Congressman also knows that, as a general rule, if he votes with the dominant economic interests in his district on the matters most important to them, he can do as he pleases on everything else.

Jackson's lobbying is based on the political power of a dominant economic interest. The Cotton Council scrupulously avoids direct political action. It never endorses candidates for Congress.

But Jackson doesn't hesitate to lobby in the second degree whenever he needs to. Word to a prominent cotton ginner, farmer, or millowner that his Congressman is being contrary sometimes brings results.

Edelman's capacity to persuade is based on the voting power of organized labor, a force on which the CIO puts enormous emphasis. But the Textile Workers' membership is largely in New England, and the textile industry is now largely in the South. This gives Edelman a political problem he can't fully solve until the CIO's Southern organizing drive has accomplished a lot more than it has so far.

Edelman counts on about ninety out of the 435 members of the House to be automatically on his side on any issue. This group is composed largely of Northern Fair Deal Democrats. Some of these are one- or two-termers, who haven't been in Congress long enough to learn the ropes. Others are old-timers sent to Washington by the Democratic machines of Northern cities, and of these, particularly the New Yorkers,

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Edelman says, "The problem is not to get them to vote right, but to get them to stay in town to vote at all."

Surprisingly few of Edelman's dependable ninety Congressmen represent districts where the Textile Workers have large memberships, but most of them come from places where other unions, either CIO or AFL, are strong. This makes labor-lobbying a co-operative project.

The Textile Workers Union is also beginning to find a few friends in the South whose support can be depended on. Edelman can count them on his fingers: Deane of North Carolina, Lanham of Georgia, Sims of South Carolina, Boggs and Morrison of Louisiana, and one or two others.

Jackson's rock-bottom strength in Congress is not substantially greater than Edelman's. It amounts to 110 or 120 members in the House, and about twenty or twenty-five in the Senate. But this is a group with low turnover and high seniority, and a facility for logrolling equalled only by that of some Westerners—with whom the Southerners frequently see eye to eye.

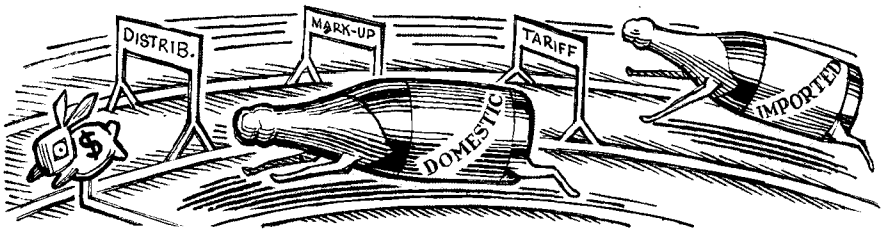
A lobbyist's duties go beyond shepherding votes on the Hill. Jackson, for example, might want the Department of Agriculture to undertake a research project for the cotton manufacturers. He might be called on by the Commerce Department for information on the cotton industry. Or he might want the State Department or the Economic Cooperation Administration to take some action boosting cotton exports. And Edelman, in turn, finds himself constantly involved with the National Labor Relations Board, the Labor Department, and housing agencies. He even has business with the Justice Department, in connection with civil-rights violations in his union's Southern organizing drive.

The tactics of lobbying are not cut-and-dried. The same man may be welcomed in the Senate Office Building as an expert with invaluable advice to offer, and be suspected in the Pentagon of being a Five Per Center.

Laws are made by men who represent, usually, a good many people. But people have special interests, great and small. Some of their legitimate interests are represented in Washington by men called lobbyists, not all of whom are blackguards. —PAT HOLT

Trade

Devaluation Can't Do It All



When Sir Stafford Cripps announced on September 18 that the exchange rate of the pound was being lowered from about four dollars to $2.80, he maintained his usual dryly unoptimistic tone when speaking of the increased American trade that he hoped devaluation would bring Britain and the other sterling nations. This lack of strong conviction about any great jump in American overseas purchases after devaluation is apparent in other European countries. Almost all of our would-be creditors feel that there's a lot more to the problem of getting Americans to buy abroad than lowered currency rates. Europeans insist that they have done their bit toward inviting American purchases abroad, and that we ought to do much more toward inviting foreign goods here.

Most Europeans think it is still America's responsibility to step up the transatlantic flow of goods by reducing tariffs even below the levels achieved by the recently-renewed Reciprocal Trade system, by reforming customs administration, and by contracting to buy specific amounts of foreign materials at predetermined prices.

It seems equally apparent to many Americans that it is up to the Marshall Plan countries to increase their sales to us by reducing their production costs and by learning how to fit their products to the American market, as well as by devaluing their currencies.

In short, many Americans think the initiative in increasing American imports lies largely with foreign sellers. Most Europeans remain convinced that the important moves now lie with us.

The case of a French silk manufacturer in Lyons illustrates one extreme in the conflict. This manufacturer entertains his American visitors with a glass of wine, and a sad toast to his "museum" of silk samples, which, he says, he can no longer sell in America because of our tariff. True enough, the tariff on French silks is high—from thirty to seventy-five per cent, depending upon the fabric. When questioned further, though, the Frenchman confesses that before devaluation his silks cost at least eighteen dollars a yard *in France*. At that price the American market for them would obviously be negligible, even if there were no tariff at all, transport were free, and importers and wholesalers had no markup. Nor will the Frenchman consider making cheaper silks, which the American market might be more interested in. His mill has always made what it makes now, and he does not propose changing to suit the whim of the fickle American market, in which competition would be fierce and profits low. He sells to the Parisian couturiers and to rich French colonials; this market is small, but his profits are high, and in his stocks of silk he has some insurance against possible further inflation. Actually, he is passive toward the American market. Therefore his complaint about tariff barriers doesn't hold much water.

Consider, however, a product whose makers are desperately anxious to increase their American sales: French champagne. The problem of expand-

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ing those sales is illustrated by the following breakdown of the pre-devaluation price of a case of champagne at various stages on its journey from French port to American celebrant.

Breakdown of French champagne price, per case of twelve bottles:

Average price—f.o.b. French port	$20.00
Transport	2.25
U. S. import duty	3.71
U. S. excise tax	7.20
Average importer's markup, approx. 22½ per cent	7.00
Port dues	.60
N. Y. State tax	.98
Average wholesaler's markup, approx. 15 per cent	6.68
Average retailer's markup, approx. 50 per cent	23.01
Retail price in New York	$71.43

Thus a bottle of champagne for which the French supplier gets about $1.66 is sold retail for about $5.95. If the New York customer buys his champagne by the bottle in a restaurant, he will be charged closer to fifteen dollars, and in a night club he will probably pay twenty.

The spread between American retail prices of imported goods and their purchase prices in the country of origin varies widely from commodity to commodity. There is usually no import duty, or a very low one, on raw materials. (Imported wool, which competes with native wool, is an outstanding exception.) For semi-manufactured goods (Italian felt, for example) the duty is generally moderate, since American manufacturers (of hats, to keep the same example) have an understandable interest in holding down the cost of raw materials. But finished manufactured goods destined for retail sale in competition with American goods nearly always face large tariffs. An Italian hat retailing for the equivalent of seven dollars in Rome is sold in Washington for thirty-five, a markup of four hundred per cent. This markup, as is true of the champagne, reflects not only high tariffs, but the not uncommon decision of the American seller to treat the article with an IMPORTED label as a high-priced, low turnover, snob-appeal item.

The champagne-price breakdown above illustrates the major factors that determine the American sales price of all imported consumer articles. They are: cost of production, coupled with the rate of exchange at which that cost is translated into dollars; American tariffs and excise taxes; and markups by importer, wholesaler, and retailer.

Many European exchange rates have now been pushed down to levels that should give the European exporters great advantages in the dollar markets. As for European manufacturing expenses, they are getting a good going-over both by ECA experts and a lot of amateur economists, but it is apparent that higher productivity abroad won't further lower prices of foreign goods appreciably for some time to come.

The second major factor that determines prices of imported goods is the tariff. A strong case can be made for the argument that since Reciprocal Trade began we have made steady progress in lowering tariff barriers with a view to encouraging imports, as the following table shows:

	Duties—per cent of total value of:	
	Dutiable imports	*Dutiable and free imports combined*
Underwood Law (1913-1922)	27.0	9.1
Fordney-McCumber (1922-1930)	38.5	14.0
Smoot-Hawley (1930-1933)	52.8	17.7
Reciprocal Trade Act:		
1939, a prewar year	37.3	14.4
1947, a postwar year	19.4	7.6

This table does show a steady lessening of the burden that tariffs impose on imports. However, averages are always tricky, and probably nowhere more so than in tariff comparisons. Our tariff structure remains one of the most complicated in any country, with a fixed duty on some articles, a tax proportionate to value on others, and in some cases a combination of both.

The decline in percentage tariff figures in recent years is partly due to the higher prices caused by wartime inflation, just as the big proportionate barrier of the Smoot-Hawley days was partly due to the impact of fixed duties on goods imported at depression-low prices.

The barrier put up by tariffs is made higher by the dilatory, uncertain, and often just arbitrary ways in which our customs procedures work. Customs assessors at each port constantly endeavor to reclassify imported goods into higher tariff brackets. The port of New Orleans, for example, decided that apple cider was a sparkling wine, and therefore subject to the same duty as champagne. A woolen sweater dutiable at about twenty-five per cent is reclassified if it has a neckband sewn on, and the duty may easily be doubled. Similarly, duty can be doubled by putting a monogram on a shirt, by putting elastic on childrens' trousers, or clocks on a pair of socks. Imported forks (not spoons or knives, just forks) must be stamped individually with the name and address of the maker. There are a thousand other examples of the strange procedures of customs authorities.

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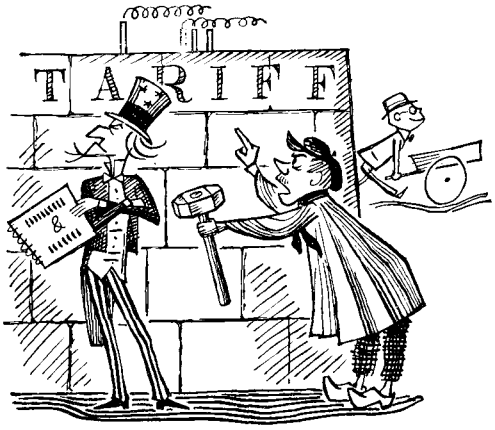
Furthermore, it is almost impossible for an importer to tell beforehand on what basis his goods will be valued for customs, or at what rate he will be charged duty. If the importer protests the customs decisions, his recourse lies in arguments before the Court of Customs Appeals, and in the months that go by while the court deliberates, he may lose his market as well as his case. During his arguments with customs officials, too, the importer usually is made to feel that he is being disloyal to the United States by even attempting to bring in foreign goods.

Further tariff reduction would be



politically difficult right now, but there is lots of room for reforms in customs procedures, and this could make as important a contribution to increased trade as lowered tariffs.

When the purchase price abroad and the import duty have been determined, the combined total is rapidly augmented by the importer's and wholesaler's markups, and finally by the retailer's markup. These prices are determined as percentages of the purchase cost of the article *plus import duties.* Thus, in the example of champagne, the direct contribution of duty and excise to the final price is $10.91. This is included in the total that is marked up 22½ per cent by the importer, fifteen per cent by wholesaler, and fifty per cent by the retailer. If there were no duty or excise tax to pay, the retail price could be reduced, not by $10.91, but by $23.11. This is one reason why foreign officials argue loudly that tariff reduction would be the easiest way of expanding trade.

Each merchant who handles the product feels that he fully earns the income from his markup. The importer has his working capital tied up just as much by paying customs duties as by paying for the import of the article. He also has to take the risk of breakage in transit, and a rejection of part of his consignment if it is not up to the standards set by the retailer. He must hold an adequate inventory so that the retailer can get what he wants in the needed quantities.

The retailer finds that a fifty-per cent markup on the price of the goods he buys will just about bring in his own expenses plus a reasonable margin of profit. There seems to be little room for unreasonable markups, except in the cases of specific snob-appeal articles, such as the Italian hat mentioned above. Unfortunately, the snob treatment is easily applicable to many of the small, non-standardized, quality products which are part of the traditional output of Europe, and for which Europeans would welcome more markets.

When all the justifications of distributors' markups have been heard, the dominant fact remains that the biggest element in the sales price of imported goods in this country is the cost of distribution within the United States. American experts who have recently studied the problem of increasing United States imports believe that these costs right now offer the most likely line of attack by both European exporters and American retailers.

One hope of bringing European producers and American consumers closer together lies in the establishment of International Trade Centers in the larger cities of this country. Foreign suppliers could then get together in displaying their products, and could themselves assume some of the risks of the American importer and wholesaler. Part of the answer might also lie in Anglo-American, Franco-American, and similar merchandising councils being formed under ECA auspices. Another answer may be the formation of transatlantic private business partnerships (sponsored perhaps by the World Bank), where American merchandising skill could be combined with European manufacturing skill to develop dollar markets profitable to both parties.

Those who have a vested interest in the existing high-cost methods of distribution may be expected to object strenuously to a more efficient system, which might bypass their present channels or subject them to heavy competitive pressure. American business boasts regularly about the virtues of competition in reducing costs and raising living standards. The agreement on the need for increased imports will be nullified if either the trader or Congress proves oversensitive to the special claims of those who now profit handsomely through high-cost, small-scale operations.

There is no single measure—including devaluation—that will suddenly cause American imports to skyrocket; the attack must come from both sides of the Atlantic, and must be aimed at *every* expense that hikes up sales prices. The task is not an overwhelming one. Britain, for example, sells just about as much to Canada as to the United States, though the national income of the latter is seventeen times that of Canada. Western Europe sells little more to the United States today than it did before the war, though American buying power is now nearly three times what is was then. If devaluation, plus other needed measures, increased European sales to this country by an amount equal to only one per cent of our national income, Europe would earn yearly two and a half billion dollars more than it now does, and the back of its dollar problem would be broken. Until its countries have made a really well-organized effort to sell their goods here, they won't be justified in hoping that devaluation will do the job alone, or in continuing to lay all the blame on American tariffs.—D. W.

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Politics

'The Welfare State'

In recent months a new phrase has cropped up in American politics. That phrase, of course, is "the welfare state." It was introduced proudly by people who liked the idea behind it, and is now used mostly, and abusively, by those who don't. Since the welfare state seems to be coming to occupy a dominant role in our domestic political discussions, it may be well for us to try to figure out what it really means.

In general, recent usage suggests that the welfare state is definitely a bad thing. Herbert Hoover usefully summed up conservative thinking on this point in an address in August, on his seventy-fifth birthday. "The slogan of 'the welfare state,'" he declared, ". . . has emerged as a disguise for the totalitarian state by the . . . route of spending." The welfare state, for Hoover, is the awful climax of the follies of Keynesian economics and New Deal social policy. Mr. Hoover, indeed, was able to add that our pursuit of the welfare state has already put us "on the last mile to collectivism." Almost every Republican in good standing has echoed Mr. Hoover; the Southern Democrats have rushed to join the cry; and the phrase in recent months has become so discredited that even Fair Dealers now avoid it.

"Think it over," Mr. Hoover repeated in his seventy-fifth birthday address. . . . "Think it over." This is good advice for Americans who have been treated to an undue amount of confusing oratory on the subject.

Certainly if, as the conservatives say, the welfare state is just a system of government handouts to any groups politically powerful enough to insist upon them, then even the most extreme liberal would be foolish to deny that such a system could harm. Handouts could easily create a dependence on the state that might sap the individual initiatives upon which free society depends, and, if the handouts were calculated, not according to economic plan, but according to political blackmail, they might well result in a grave weakening of the financial structure. The old-age pension schemes in California, Oregon, and Washington, for example, seem to be an example of a handout system running amuck.

Yet, if such a system of government handouts does represent, as Mr. Hoover suggests, our greatest internal danger, it may be permissible to ask how that system got started. History provides an unambiguous answer. It started when Alexander Hamilton wrote his famous reports on public finance, the national bank, and manufactures in the early years of the republic. Hamilton argued that the nation could not survive and prosper unless special government favors gave the business community a large stake in that survival and prosperity. Until Andrew Jackson destroyed the early-nineteenth-century Federal improvements system, with the Maysville veto —which forbade the use of national funds for a Kentucky highway—the Hamiltonian handout theory remained substantially dominant in Washington. And the Maysville veto did not affect handouts by the states, where local governments provided lavish aid and facilities to private business through the first half of the nineteenth century. Oscar Handlin and Louis Hartz, in their admirable economic histories of, respectively, Massachusetts and Pennsylvania, have shown conclusively the mythical nature of the alleged golden age of *laissez-faire*.

The handout system, once started by Hamilton, was irrevocably imbedded in government tradition by the Republican Party after the Civil War. The most spectacular form of handout was the protective tariff, which preserved favored business undertakings from the hazards of free enterprise and gave them a huge annual subsidy levied on the American people. The grant of public lands to private railroad companies was a form of handout only slightly less appalling. The great conservative publicist of that day, Edwin L. Godkin, protested eloquently against the handout system. He warned the businessmen who were feeding so hungrily at the public trough that they ought not to complain if the farmers and workers eventually got the idea and followed their hoggish example. But men like Godkin were ignored; the system developed, and reached one of its climaxes in 1930 with the Smoot-Hawley tariff. That tariff was converted into law by the willing signature of the President, Herbert Hoover.

This history raises the interesting question of why Hoover and the other enemies of the welfare state should find favors so reprehensible when bestowed by government upon farmers or workers, and so beneficial when bestowed upon business. The answer, of course, is that the Hoover case against a system of government handouts is based on the comfortable theory that government aid to business is wise and virtuous, while government aid to the nonbusiness groups is vicious, and leads to collectivism. It is based, in other words, on the most abominable hypocrisy.

The only consistent position against the handout system was that held by Godkin—that government should do nothing for any special group. This position has had no reality in American experience, and has certainly never been advocated by the American business community.

Thus far most people have consid-

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ered the welfare state on the evaluation of its opponents. I wonder whether that evaluation is very accurate, either in theory or in practice. The welfare state has a distinct and definable character. Briefly, it is a system wherein government agrees to underwrite certain levels of employment, income, education, medical aid, social security, and housing for all its citizens. The government does not try to do all these things itself; it seeks where possible to supplement the initiatives of private society. But it does accept the ultimate responsibility of guaranteeing "floors" in certain crucial areas, below which it conceives tolerable living to be impossible. And it will intervene when private society demonstrates its incapacity to maintain these minimum standards.

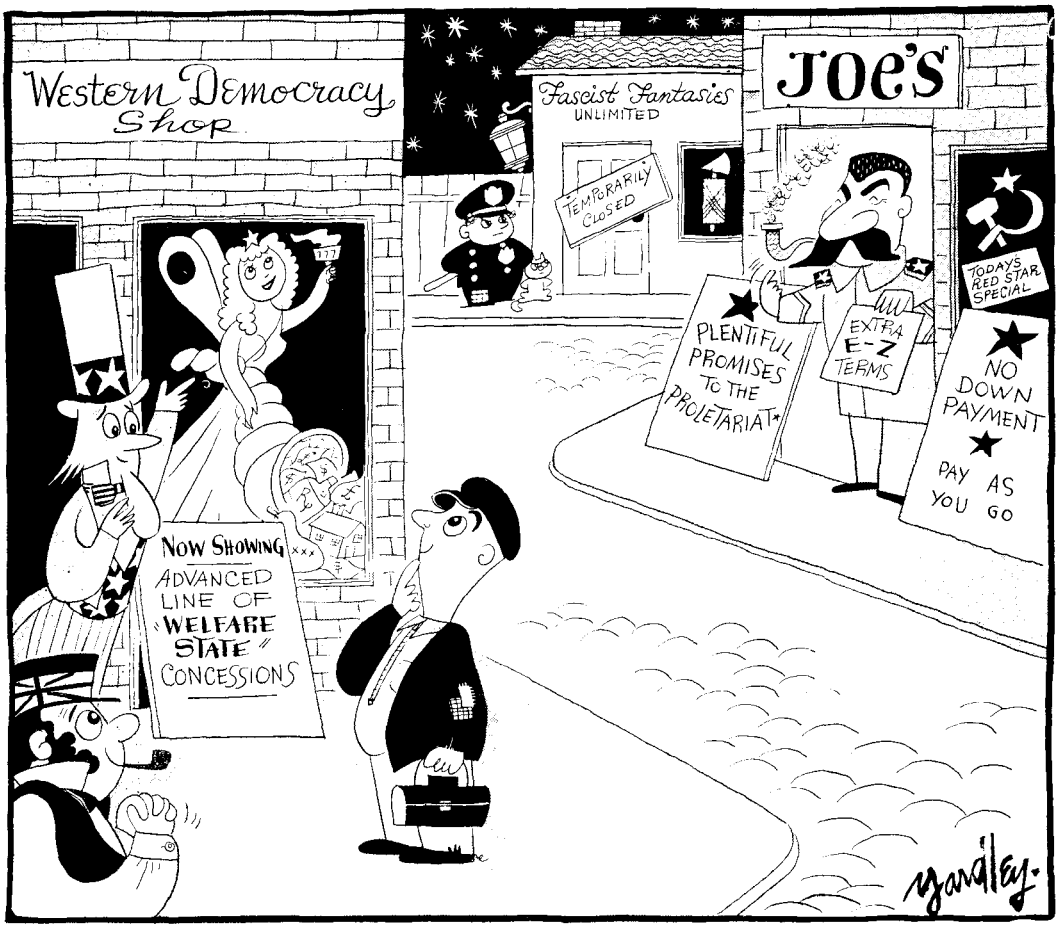
This is all that is meant by a welfare state. It should be added, perhaps, that western society came to the welfare state, not through an excess of starry-eyed do-goodism, nor, on the other hand, through a sinister desire to lull an unsuspecting people into totalitarianism. Western society was driven to welfarism by the most powerful and stark of all motives: fear. It became evident early in our century that any government that rejected responsibility for the welfare of all its citizens would forfeit the loyalty of those whom it neglected. It was the overwhelming need to bribe the masses into remaining loyal—not sentimental idealism—that created the welfare state. In the last analysis, welfarism is a form of social Machiavellianism designed to prevent the population from being harried, by insecurity, poverty, and despair, into the arms of Fascists or Communists. "If you do not give the people social reform," as an English Tory has said, "the people will give you social revolution."

Who is really opposed to the welfare state today? I cannot believe that it has many serious opponents left. "England and the United States" one Senator recently remarked, "have always recognized the interest of the state in providing a decent minimum standard of living in food, clothing, medical care, and education for those unfortunate enough not to be able to pay for it in full themselves. Housing is only an extension of the same principle to decent shelter, which certainly is absolutely necessary if the children are to have anything like equality of opportunity." The speaker was Senator Robert A. Taft, a clear if sometimes grudging champion of the essential principles of welfarism.

"We are all Hussites without knowing it," Martin Luther cried centuries ago, suddenly discovering how far he had drifted from Roman orthodoxy. So today we are all supporters of the welfare state, as *laissez-faireism* has receded into the mythical past. Not every single one of us, I suppose; not Senator Jenner, nor Senator Kem, nor Senator Bricker, nor Senator Byrd; evidently not Mr. Hoover; but a close examination of even Senator Bridges might disclose the first germs of infection; and from Senator Taft leftward the disease becomes epidemic.

This agreement on the principle of ultimate government responsibility does not, of course, mean that there are no differences on domestic policy between Senator Taft and President Truman. Their differences are large and bitter; but they are not over the welfare state. The two main points of debate are over the type of government intervention and over the level at which the minimum standards are to be pegged. Senator Taft wants the states rather than the Federal government to play the greater role in maintaining the "floors" under society.

Thus Taft accepts the principle of the minimum-wage law, but he boggled at the enlarged coverage which the Administration tried to write into the recent bill. He accepts the principle of government support for medical care; but he wants the care to be dispensed as much as possible through the states and to be confined to the needy rather than to be available to all. He may seek



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to eviscerate the fundamental conception, but he does not reject it.

In this light the recent right-wing attacks upon the welfare state look more and more like a concerted attempt at public obfuscation. Arthur Krock recently complained of the "superior articulation" (he apparently meant the "superior articulateness") of the left. The left may well be more articulate; but the inarticulate right has many more magazines, newspapers, and, one may add, columnists at its disposal. Certainly the current campaign against the welfare state is exceeding the limits of useful discussion. One may grant that there are troubling possibilities discoverable in the idea of the welfare state; yet even Hoover and Krock, one might expect, would not find them in the version advocated by Senator Taft.

For better or for worse, the welfare state is with us. The great issue is whether it will become a matter of bread and circuses; and this possibility imposes a responsibility upon serious politicians of both the right and the left. This responsibility is not discharged by demagogic assaults upon the welfare state, any more than it is discharged by promiscuous demands for more pensions, more tariffs, more handouts. It can be discharged only when people settle down in an earnest attempt to meet the requirements of welfarism within a society that can remain free and prosperous. And this can be done only when each of the important special groups—and this means the business community fully as much as it means the farm bloc and the trade unions—recognizes that it cannot blindly pursue its own narrow interest without threatening irreparable harm to society as a whole.

Some such theme as this might have been fitting for Hoover's birthday address. —ARTHUR SCHLESINGER, JR.

A Previous Forecast

"We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but, given a chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation. . . ." Herbert Hoover, Speech on Accepting the Presidential Nomination, 1928.

Europe

Greece—Our Test

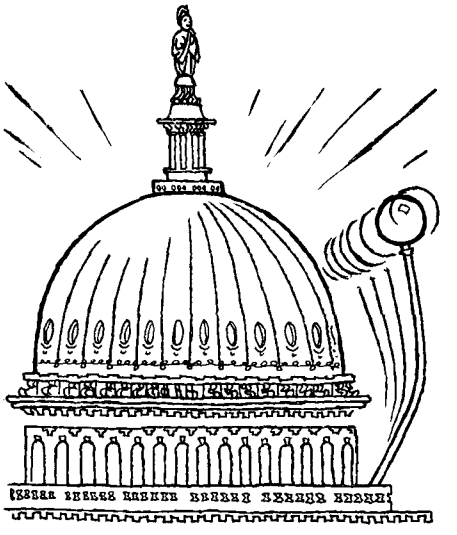
Now that the Greek guerrillas have been driven into a few remote mountain strongholds, the United States is approaching the end of the military phase of its aid to Greece. The other two objectives of the Truman Doctrine are still a long way from accomplishment—the economic and the political.

In the message to Congress in which he announced the Truman Doctrine, the President said: "It is of the utmost importance that we supervise the use of any funds made available to Greece, in such a manner that each dollar spent will count toward making Greece self-supporting, and will help to build an economy in which a healthy democracy can flourish."

This problem, which the President could speak of only in general terms in March, 1947, can now be seen a good deal more concretely; it is the problem of seeing to it that our economic efforts in Greece work for the benefit of the Greek people as a whole, not merely for that of certain well-connected monopolistic interests.

Whether these aims will be achieved depends inevitably on the composition and attitude of the Greek Parliament, which will have an important say in determining how our equipment and funds will be used and distributed. In the phase of aid to Greece that has just begun, economic reconstruction and political reorganization have to go together; our economic aid to Greece may be useless, or even dangerous, unless the conditions that make for democracy are created in Greece.

Up to now, the United States has acted as if it could—as if, indeed, it should—keep out of Greek politics. The fact that we have intervened actively in Greek military and economic matters, and steered shyly away from politics, disturbs quite a few of the ECA officials who are up against the problem of making Greek aid work. As one of them puts it, "Every detail of



Greek government procurement is controlled by Americans; so are all Greek exports and imports and all currency policies. We deliver vast amounts in materials. But the greatest obstacle to effective aid is political. We intervene in every phase of Greek life except one —we do not tell them how, in their own interest, they should organize their politics. Why should Washington insist on doing nothing positive to reshape the political setup over here?"

Observations like these call to mind the American experience in China, as it was brought to light in the White Paper published recently by the State Department. There, too, the United States failed to get effective co-operation from the government. Hundreds of millions of dollars were wasted because of the graft and mismanagement characteristic of the Kuomingtang. Democratic reforms were talked about, but postponed, and American aid was wasted because the one-party régime refused to reform, and was unable to win mass support.

Greece today bears some disturbing resemblances to the China of four years ago. The Populist Party, led by Tsal-

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daris, has dominated the political machinery since 1945. Every once in a while, the government is reshuffled, but the same reactionary politicians are left with the power and the purse-strings. Government in Greece remains an unshaken, monopolistic bureaucracy. Even the conservative press is not free to publish what it likes or to circulate wherever it wants to. Freedom of speech and assembly hardly exist. Thousands of citizens are held in concentration camps as political prisoners. As a result of all this, Greeks of almost every political persuasion are becoming increasingly resentful of the right-wing party leaders, who are more attached to their excessive privileges than to democratic liberties.

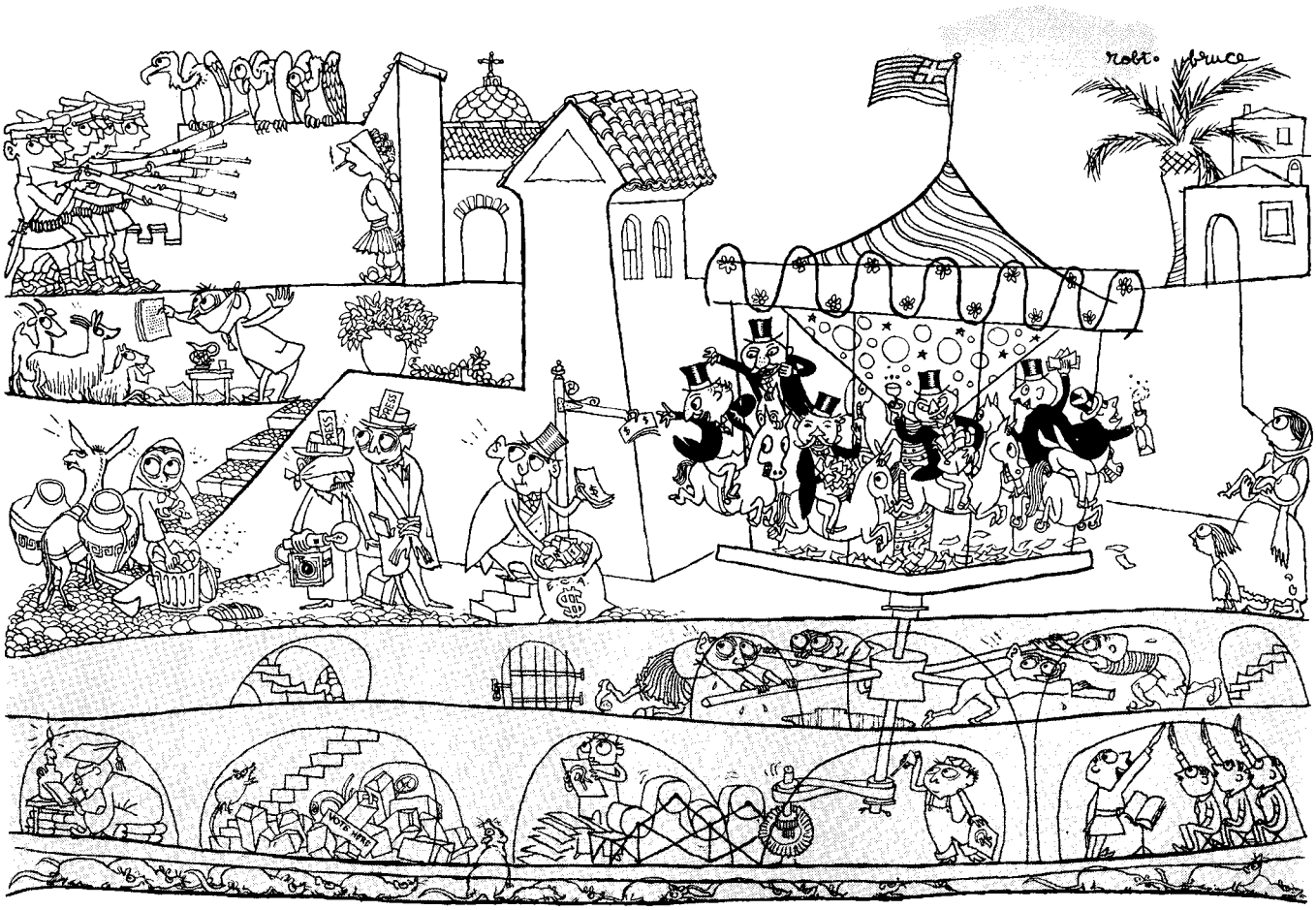
In 1946, fear of Communism drove a great many Greeks to vote for the Populists, who even then were widely regarded as anti-democratic. Today many Greek conservatives, who helped put Tsaldaris in office three years ago, have lost their respect for the right-wing parties. "Most of the best Greek technicians," according to one ECA official, "cannot and will not co-operate with the people we have supported politically here for the last two and a half years."

When conservatives demand change, as they do in Greece, it is time to take notice. One Greek conservative declared recently: "If we do not raise our standard of living within the first years after the civil war ends, we will have Communism here again. What Washington must understand is this: If we lose the reconstruction, we lose the war. But to save the reconstruction you have to dissolve this Parliament, which is no longer in any sense representative, and hold free elections. There can be no solution in Greece until you get a political foundation on which to build."

In the workers' districts of Athens, there is the same attitude, even more emphatic, toward the "governing Greeks," and the same demand for far-reaching political change.

Until now, the American policy has been: "Hands off politics!" That policy is based on the theory that the 1946 elections were free and representative. Henry F. Grady, the American Ambassador in Athens, who was our representative on the Allied Mission to Observe the Greek Elections, has always maintained that they were free, and there is no reason to question his good faith. But it is possible that the 1946 balloting was free only in the most narrow and technical sense. The curtain of repression and fear was undoubtedly lifted on the day in March, 1946, when the Greeks went to vote. But a free election may be a farce if there is no freedom before and after it. Before the 1946 election, Greece was in a state of half-real, artificially-concocted panic, the principal issue appeared to be Communism; the destiny of every voter was held to be at stake; the Greeks were stampeded into voting indiscriminately against Communism, which meant voting for the Populists and their allies.

It is apparently on that twenty-four-hour spell in 1946 that the United States bases its policy of political non-intervention. The British, who helped put Tsaldaris in power in 1945, today regard this policy as inelastic and self-defeating. They are interested in the moderate center and republican par-



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ties, for they are sure that, if a free election were held, the rightist factions would be soundly repudiated.

According to law, Greece must vote next year, and there is no doubt that, like it or not, we are now the most important political factor. Unless we do something to prevent them, the Greek rightists will drag us into the election by maintaining that they alone can deliver American aid. By holding ourselves at a distance, we would tacitly sponsor the party in power, and we would be represented by people who could only discredit us.

The coming Greek election is a crucial one. Not only is discontent with the present government spreading and deepening among Greek civilians, but a new and potentially dangerous element is about to enter Greek political life. As the civil war dwindles down to mere policing operations, a large percentage of the quarter of a million soldiers in the Greek Army will have to be demobilized. Many of these young men have been fighting first the Nazis, then the Communists, for eight or nine years. A majority of them will return to impoverished farms and villages. There, food and living conditions will be markedly inferior to the American-style diet and comforts they have been enjoying in the service. Fascism has thrived, in every country, on the discontent of demobilized soldiers who could not adjust themselves to a life of peace.

Constantin Doxiadis, the liberally-inclined Director of Reconstruction, says: "The Greek problem starts at the moment of demobilization. Our returned veterans will demand a better livelihood and better government. We can't put these people aside by calling them fellow travelers. After all, they are the people who fought Communism. If we do not give them improved conditions, they may logically turn to violence—to anarchy, or to something else."

The Greek election in 1950 will largely be determined by the character of the pre-election government. "If the Populists do not control the electoral machinery and policing," to quote a Greek conservative, "they are washed up." All over Greece, people are now discussing alternatives to the present government. A strong-man setup, headed perhaps by General Papagos, is one possibility that is mentioned often. A caretaker government is another. In the first case, Greece would run the danger of military dictatorship. In the second, there is the likelihood that a pallid Premier would just be a stand-in for Tsaldaris, and leave the Populist machine in control of the ballot box. Here is where the United States comes in again. In a poor country like Greece, an election campaign is an extremely expensive business: Cars, newsprint, loudspeakers, and the rest of the paraphernalia cost money. If only one party seems able to bring American assistance to Greece, the people who can afford to support a political campaign will contribute to that party.

The only feasible alternative to a strong-man government or a camouflaged Tsaldaris government would be a broad coalition, including representatives of all the non-totalitarian parties. One seasoned political observer said: "Get rid of the old political wheelhorses. There are younger men of real ability in every party. Such men could be brought into a coalition Cabinet, if the Americans insisted that new men be given a chance. The right-wing parties, the moderates, and the Socialists should all be included. It could be done." Some Greeks and Americans take a gloomy view of the chance for this sort of government—on the theory that there have been no outstanding political leaders in Greece since the elder Venizelos. Others maintain that a coalition seems to be the most democratic alternative available and, certainly, that it cannot be dismissed until it has been tried.

Whether or not it is tried will be decided not in Athens but in Washington. This fact is far clearer to the Greek people, who are political realists, than it is to Americans. The Greeks understand that any pre-election government formed in Athens will have to be either tolerated or approved by the American Ambassador. If the Populists are permitted to run in our name, the Greeks may vote for them on the principle that it is inadvisable to shoot Santa Claus, or they may, in revulsion, abstain from voting to such an extent that Tsaldaris and his confederates will win with a very small number of ballots.

If we allow ourselves to be identified with the Populists, we will undoubtedly see a repetition in Greece of what happened in China—with the new, and quite insidious, twist that this Kuomintang will superficially seem to have been put in power by free democratic methods. The way we can avoid this is to show that we endorse no single Greek party, and we can do that only by using the influence that we unquestionably possess in Greece to support the formation of a coalition government before the election.

We must intervene politically in Greece to the extent of making sure that the Greeks have a range of choice among several non-totalitarian parties, and of avoiding a stampeded election that would prove itself unrepresentative of the will of the Greek people the morning after the balloting booths were closed.

In Greece and elsewhere, we are learning that it is exceedingly difficult to promote democracy in a foreign land. We are learning—or, if not, we shall learn—that it is impossible to assume strategic and economic responsibility for a small exposed country without exercising political influence at the same time.

In Greece and elsewhere, the British have for a long time shown an aptitude for winning allies and influencing governments, in line with British interests and long-range objectives. They have always recognized that they have to make political suggestions, and they know when to make them. We can improve our technical skill in these matters by studying how the British handle them, but of course we cannot operate in precisely the same way because our State Department has never been the powerful, centralized institution that the British Foreign Office is.

Here in the United States, Congress and public opinion take a big hand; everything is done amidst loud and perhaps unnecessary proclamations; the Truman Doctrine itself provides the best instance of this procedure. That is the way we go about things, and we like it. But it is time for the State Department, Congress, and public opinion to make a decision about our stand in Greece, where, unwillingly and largely unwittingly, we will, in a few months, be running for office.

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Education

Caste After the Fourth Grade

A slight young man, who looked about nineteen, got up to ask a question. It was the first question of the evening, and it threw the older men on the platform into confusion. For the first time, in my summer trip around Germany, I sensed a stirring of moral health, a faint hope for the future.

Here is the setting: One week last summer at Munich, a *Jugendforum* was held in the State Parliament of Bavaria. The unusual thing about this forum was that the young people were running it. The *Ministerpräsident,* the *Landtagspräsident,* the *Abgeordnete,* the *Oberbürgermeister,* and the rest of the movers and shakers were there as invited guests. A former American newspaperman working for Military Government, H. C. Patrick, the organizer of these "discussion evenings," had insisted on this arrangement, novel though it was for the German *Alte Herren,* who were in the habit of sitting in the seats of authority while the young people listened, trembled, and obeyed.

A girl named Ilse Muller had the chair on the high dais where the President of the Landtag usually sits; she was flanked by two boys. In the semicircle facing them were row upon row of students from the University of Munich and the Munich *Technische Hochschule,* their ages ranging from seventeen to twenty-five. They were there to quiz the legislators about the operation of the government.

It didn't quite work at first. Instead of grilling, Fräulein Muller started off on an apologetic note. The young people, she said, were there to learn democratic habits of thought—not to discuss high politics and stick their noses into matters that were none of their business. She called upon the President of the Landtag, a likeable fellow called Horlacher, who attacked dictatorship, explained the nature of parliamentary democracy and civil liberties, and wound up with a plea against militarism, receiving warm applause. He was followed by the four committee chairmen of the Landtag, each of whom was supposed to speak for five minutes, and each of whom spoke for fifteen or twenty. They were self-important, dumpy little men who began with, "My dear young friends," made a point of talking down to their audience, and explained everything in mechanical and legalistic terms. Perhaps, I reflected, all we had succeeded in doing in Germany was to replace unspeakable beasts with insufferable bores.

I was not altogether right. As soon as the speeches were over, questions began crackling from all over the young audience. The first, from the slight young man, was about the peculations of a member of the Landtag who had stuffed his pockets with public funds, much to the distress of the party in power. The mention of this incident threw the ministers and legislators into a paroxysm of apology. Each of them got up and made elaborate disassociations and explanations—but they were visibly shaken by the line that the quiz was taking.

After a number of scattered, earnest questions, a blond boy, who identified himself as a *Technische Hochschule* student, made a little speech. The committee chairmen had talked of the budget, finance, taxes, the similarities and differences between a state economy and a household economy. All the technical schools, he said, were badly in need of funds for research, teaching, and laboratories. Why had the Bavarian government cut these funds further? Was it because the dominant party, the Christian Social Union, to which the Ministers belonged, feared the effect of science and technology on the traditional authority of the Church, and had siphoned the funds off elsewhere? The question was met with almost thunderous applause.

There was an uproar among the dumpy little men. Each rose again, waved his hands, explained, deplored. The man whom everyone in the audience had on his mind—Alois Hundhammer, the Minister of Education, who holds the heavy hand of theocracy over Bavarian intellectual life—had thoughtfully stayed away from the meeting.

Later, a tow-headed boy with an anxious face, egged on by a little group sitting around him, got to his feet. He said that youth lacked direction and purpose, that everyone was doing too much talking, that they needed to be shown what to do. After a moment or two, I realized that this was the language of Nazi indoctrination. That was how the audience took it. There was at first a thin scattering of applause, and then massive shouts of *"Hitlerjugend, Hitlerjugend!"* were hurled against him from every corner of the room.

Most of these boys and girls were trying to break through the crust of their Hitler training. With a painful honesty, and not without courage, some of them were groping for democracy's meaning.

Their groping was clumsy because, according to all that I could find out in the American Zone, most young Germans are still products of a feudal, stratified educational system—one that predated Hitler by a century and helped make the Weimar democracy a springboard for authoritarianism and oppression.

Consider how the system traditionally operated. All German children went to the public elementary schools (*Volkschule*) until they finished the fourth class, which they generally did

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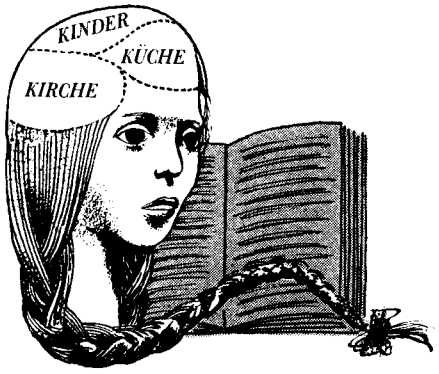
by the time they were ten. When a child reached that age the decision was made whether he would continue there or be transferred to one of the complicated network of higher schools.

Before the war, ninety per cent remained in the common schools for another four years, and then some went on to vocational or trade schools, and eventually took their places in factories and offices, or on farms. The privileged ten per cent were—and still are—divided into two groups. About half of them—those from middle-income families—go to the Intermediary Schools (*Mittelschule*) for a six-year course that prepares them for skilled and semiskilled work and the lower administrative posts in industry and trade. The other half—those whose parents are at least fairly well-heeled—go into a nine-year advanced course. This course alone leads to the universities. From the universities, one could move into the civil service and high government, the officer corps of the Army, high teaching and church posts, the bigger jobs in industry. To these distinguished and lucrative fields, there was no other path.

The United States has been so preoccupied with helping German industry that it appears to have forgotten to do anything much about the German mind, and the molds in which the German national character has been formed. We have told ourselves we are putting first things first, and in the process we seem to have neglected coming to grips with the feudal sentries that have stood for generations at the strategic passes to the German mind, and blocked every effort to break down the worship of authority.

Most of these facts are contained in a remarkable report by an American educational mission sent to Germany at the end of the war, headed by George F. Zook. It created something of a stir when it was issued in 1946. Reading it in 1949 was a peculiar experience, and my feelings were a little like Wordsworth's in *Yarrow Visited*—the sense of a once-familiar image that had been all but wiped out by later experience, and had left only a few memory-traces, which were now revived. Here was the record of a group of people who had dared to utter some truths about Germany, which are now too inconvenient to stress. It said that apparently Nazism was not an accident or an aberration, but had deep roots in German history and life; that economic reconstruction is futile without educational, moral, and social reconstruction; that the national character of a people is conditioned largely by its cultural milieu; that the democratic spirit in Germany has been poisoned at its sources by the principles of class privilege and caste division that originate in the family and have been frozen into the school system.



It is fundamental that Nazism was not a doctrine that suddenly sprang up after the defeat of 1918; it was the consummation of a system of society that sprouted under the semi-mystical Goths and the Teutonic barbarians, and burst into sinister bloom under Frederick the Great and Bismarck. Modern Germans—as Hitler knew so well—prefer to glorify *Niebelungen* militarism rather than the short-lived tradition of freedom, which was stifled shortly after 1849, and which the Weimar Republic failed to revive.

As I read the Zook Report I got into a wholly different frame of mind from the one which prevailed in the part of Germany I saw this summer, among both the German officials and the occupation authorities. I checked the dates again. The report had been sent to General Clay on September 20, 1946. Those last months of 1946 were a watershed in American thinking about Germany.

In 1946 Clay was still determined to break down one of the great caste-walls in German society—the system of cartels. In 1946 he reprimanded General Draper for not following the basic directives on decartelization. But in 1947 everything had changed, and by 1948 Clay had adopted Draper's position.

Just as breaking up the cartels was de-emphasized, so was breaking up caste in education. A group of educational administrators—including Herman Wells and Alonzo Grace—had kept making appeals for more funds and a larger staff in the educational branch of Military Government, but their pleas met no response. The five-point program of educational reforms that the Zook Report recommended—concrete methods for breaking up the caste divisions in the schools, and for giving *all* German children access to educational opportunity—were apparently relegated to some vague "later phase." Whenever action was finally taken, the German opposition had been given time to organize for obstruction. In the early days of the occupation—1945 and 1946—much time was spent in academic debate on whether reforms should be "imposed." The only period during which sweeping changes could have been made and would have been accepted was thus talked away.

There have been almost no reforms, as far as I have been able to find out, adopted by the German *Länder* in the field of educational structure in our zone. All that the recent American educational administrators in Germany have been able to do has been to "advise" the Germans and seek to lead them gently into educational democracy. Even so good an educator as Alonzo Grace has prefaced his reports with the statement that the Americans do not place any emphasis on structural changes in the German school system. There have been signs that in Hesse and in Bremen more advanced ideas have begun to make an impact on the Germans, and in some places the idea of free tuition and textbooks, at least, has been reluctantly accepted. But the fact is that the German educational system in the United States Zone today is in no essential way different from what it was at the time of the Zook Report. With the emergence of the German state and the withdrawal of military government, it is notable that education is *not* one of the fields in which even a slight supervisory power has been retained by the American High Commissioner. Indeed, education has not been mentioned in the occupation statutes.

What will this mean for the German mind? Consider again how the system

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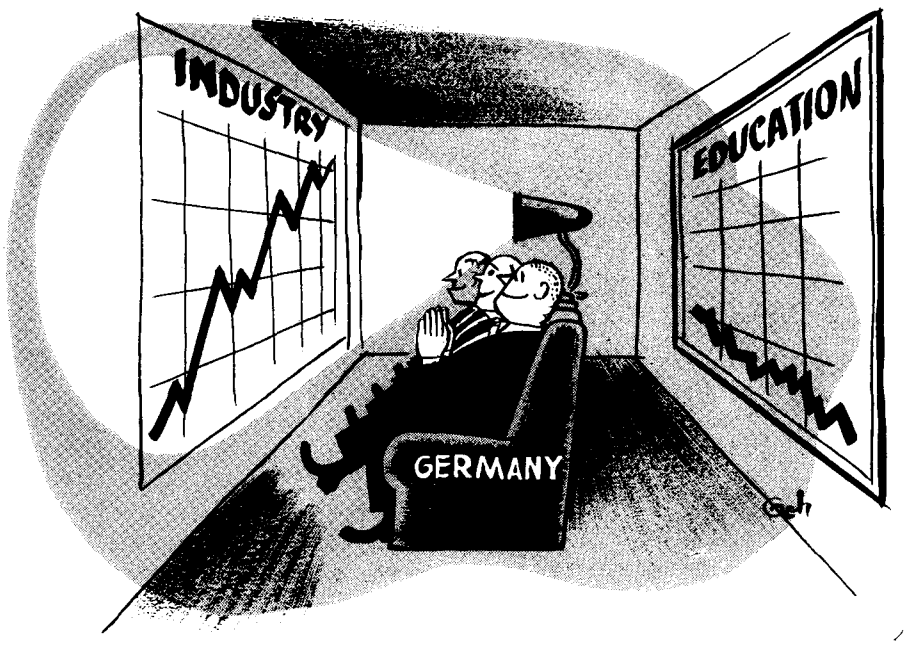

has always operated. From the age of ten onward a sharp wedge is driven between the German boy who can afford a higher-school education and the boy who cannot.

I call it a caste system rather than one of class, because class always involves an element of flexibility, but here the walls between the classes remain rigid. A large percentage of those who have been admitted into higher schools drop out before they have finished their course, and have to go back to the common public schools. But there is no movement in the other direction.

This means that under the traditional system almost every child is trained to take the station in life for which his family's economic and social position destines him. It means that few children have a chance of being trained for higher stations than those of their fathers. It means social arrogance on the one hand, and social submission on the other. It means an undermining of a child's belief in his innate capacities, and a fatalistic acceptance of his social role. And it means that ninety per cent of the population is cut off from a general education that has any meaning, and cut off, therefore, from the influence of the humanist tradition. It means the training—not the education—of a vast majority of people, who become citizens in name only, because they have no access to the tools of independent thought and political judgment that enable human beings to govern their affairs democratically.

It is scarcely surprising, then, that public-opinion polls recently taken by Military Government in our zone showed widespread political ignorance. A large percentage of Germans have no faith in any of the political parties. Forty per cent, when questioned about the Bonn Constitution, answered that they were not interested in its future. Only fifty-seven per cent knew the leading party in their state legislature. Forty per cent had no expectations, one way or another, about the work of the Landtag. Now an increasing majority thinks the Nazis had the right ideas but blundered in achieving them.

Probably even more serious than the undemocratic structure of the schools are the surviving archaisms of the autocratic father, the teacher who acts as the little Kaiser of his classroom, the employer who is Führer in his factory. The idea of accepting without question the word of an infallible authority is at least as serious a threat to democracy as the fact that only a small percentage of the population is in line for adequate education. The system is vicious and self-perpetuating, in that the traditional German school is as likely to make authoritarians of workers' sons as of the sons of the social élite.

All of this eats away not only the spirit of individualism, but also the social cement which ties people together with the bonds of common interest rather than those of authority. Some have laughed at Americans for being "joiners," but I wish that German women had something like the League of Women Voters. Such organizations cannot grow unless there is soil for them to grow in. In Germany, there is no such soil.

How then do I explain what I saw and heard at the Munich Youth Forum? First, remember that I was listening to the élite of advanced schools and the universities. If the ninety per cent of West German children who are, according to my computations, still cut off from liberal education could have at least the chance to make a choice, the number of young people like those I saw at Munich would be much greater, and they would furnish the peaceful dynamism which Germany now lacks. One of the best Germans I know, Eugen Kogon, the editor of the *Frankfurter Hefte,* ventured the estimate for me that five per cent of the Western German youth in the age group I saw were politically dangerous, fifteen per cent more or less liberal, and the remaining eighty per cent (four young Germans out of five) politically unconscious, apathetic about public affairs, engrossed only in their immediate sensual and material life. I would risk increasing the five per cent, even the Nazi fanatics among them, if half of the eighty per cent could be educated for democracy.

One of the most impressive Germans I met was a man whom I shall call only Karl, the chauffeur of a friend of mine in Military Government. Karl had been through the caste system of the schools, and had somehow come through it without the usual dullness and lethargy. He talked with piercing insight and a wide knowledge about every issue in German and international affairs. I asked him how he had come by his broad outlook. "I am an educated man," Karl answered with an ironic smile. "I was in one concentration camp after another during the whole Hitler régime. And it was in the concentration camps that you met the best people. It was from them that I got my education."

I hope that the young generation of German workers, who will be the Karls of the future, will not have to get their education that way. But I have my fingers crossed. —Max Lerner

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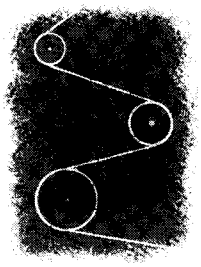
Press

The Ghost of Goebbels



One day a few weeks ago, Germans crowded, surprised and unbelieving, around their newsstands. Their eye had been caught by an authentic replica of *Voelkischer Beobachter,* the official Nazi paper, adorned with swastika and eagle. It carried a black-and-red headline: IT IS BEGINNING AGAIN! LICENSING ENDS IN BIZONIA! NOW AT LAST WE CAN SPEAK OUT AGAIN! A special front-page editorial referred to an article by Dr. Goebbels somewhere inside.

This startling exhibit turned out to be a satirical comment by the political humor magazine *Wespennest* (*Hornets' Nest*) on the recent Allied decision to relinquish control of the German press. The hoax was more than a publicity stunt. It sounded an S.O.S. It gave notice that, in the opinion of the non-Nazi press, the end of Allied licensing would brighten the lives of the until now unemployed newspapermen who had followed the Nazis.

The Western Allies announced their decision to the accompaniment of hopes and admonitions from the highest levels. The change was sudden. Military Government had made painstaking efforts, after stamping out all traces of the Nazi press, to select the men licensed to operate papers. In the American Zone this "screening," in the early days of the occupation, had involved a soul-searching which sometimes became ridiculous. The British had occasionally preferred professional qualifications to a clean political record. But in the British and American Zones, the freedom of an editor, once licensed, had been limited only by the rarely exercised Allied power to revoke his right to publish. Only the French had continued, until recently, to maintain rigid censorship and control.

An increasing number of licensed newspapers appeared, and what had at first seemed austerity fare grew into an abundant diet. Even though one third of the people, according to a public-opinion survey, regard existing newspapers as no more trustworthy than the Nazi press, the three hundred or so licensed papers sounded an almost purely democratic note. When the Allies suddenly announced their retirement from the field, many German democrats joined the *Wespennest* in its fear that the music would soon change.

Far from eliminating the Nazi problem, de-Nazification had merely forced the publishers, editors, and reporters of Goebbels' time into an unwilling, bitterly resented retirement. A conspiracy of outright Nazis, and the opportunists who had followed them, had been awaiting the day of come-back. Some of them had managed to infiltrate the field beforehand; an "expert" on the Danish-German border problem, who had written for a number of papers, turned out to have been the Nazi press attaché in occupied Copenhagen, and a high-ranking officer in the S.S.

But most unemployed Nazi journalists clearly had to wait for the signal of the "freedom of the press." For quite some time, strange "press committees" had been attacking the licensed papers and posturing as the champions of free enterprise. These groups were financed by publishers of old standing, such as Walther Jaenecke, who had been ordered in 1945 to lease their presses to the licensed papers. They were, of course, paid good money by their non-Nazi "tenant-successors"; but, strangely, they resented the Allied order, whereas they had obeyed enthusiastically the orders of Dr. Goebbels. The feeling of the newly licensed editors, was expressed bluntly by one of them as long ago as 1947. "We are not really editors and publishers," he said. "We are just temporary caretakers. And when military government withdraws its protection, we will be at the mercy of the very men whose presses we are now using against their will. In the meantime we are filling their treasuries against the day when they will be our bosses and we their employees. Personally I expect to be unemployed the morning they take over."

Two years later, another Allied-licensed editor was asked what he thought about the de-controlling of the press. He looked up from the manuscript of one of those rare German editorials which speak out against nationalism. "One of these days I shall go home for lunch and stay home," was all he said.

That day may have come already. With the end of licensing in the American zone, a swarm of new papers sprang up. Marshall Plan imports had solved the newsprint problem. Within one month more than sixty new papers, over twice the number of the licensed ones, appeared in Württemberg-Baden. In Bavaria 106 papers got started; the existing twenty-seven had been struggling along with a combined circulation of 2,100,000. Many of the new ones are, of course, small-town journals that emphasize local matters; but among their traditions is that of subscribing to monopolistic, ready-made news and editorial services, of the type that Alfred Hugenberg once used so skillfully to flood small towns with his anti-Weimar chauvinism.

Some of the old newspaper magnates have voluntarily pledged their cooperation in the Allied fight against Nazi tendencies. But while they never stopped extolling the freedom of the press when they themselves were temporarily hit by the licensing laws, they long ago proved their unwillingness to defend freedom when it needed de-

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fense most desperately. Many have already begun to cater again to sensational political and ethical tastes.

The numerous magazines and illustrated weeklies published in Western Germany today know how to satisfy these tastes. One periodical started last year with the "Diaries of Eva Braun," which demonstrated a pornographic imagination plus some insight into the private lives of Nazi bigwigs. The editors of *Wochenend* turned to Nazi uniforms and sex—a hugely profitable combination. Since then there has been a flood of exposés, memoirs, and "insides" on Himmler, Goebbels, Ilse Koch, and the maidens of the S.S.

Yellow and prurient journalism is, however, not the only problem of the German press. The fact is that American attempts to teach Germans how to separate news and opinion have, by and large, failed miserably. Only a small minority of German papers pretend to "cover the news" for the purpose of informing the public. During the election campaign, papers blandly ignored important mass-meetings if they didn't agree with the sponsors. Unabashed editorializing pervades every inch of newsprint from banner headlines to sports.

German reporters are still hardly more than enterprising office boys. The art of uncovering the news is almost unknown. Instead, editors dictate philosophical treatises in the seclusion of carpeted chambers. A combination of academic dullness, party narrowness, and the arrogant editorial pose of talking down to the readers kept the circulation of a Social Democratic newspaper in the stoutly Social Democratic city of Stuttgart down to two thousand.

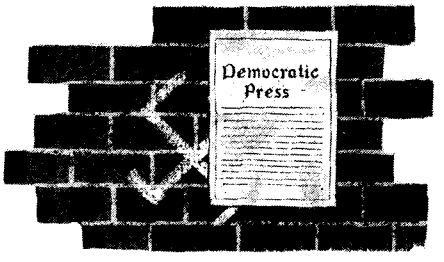
But serious as these deficiencies are, the real danger signal appeared when totally discredited ex-Nazis hastily prepared to re-enter the publishing business. Among them is Max Willmy, owner of the Nürnberg plant which printed Julius Streicher's *Stürmer*. Denazification has pronounced Willmy respectable; he owns one of the best-equipped printing shops, and he almost certainly can get ahead of the struggling "caretakers" who have little more than their convictions to call their own.

This is the worst of the crisis: The ex-Nazis are going back into business with the money that the anti-Nazi, licensed press has been paying for the use of their plants and equipment. Most of these "caretaker" contracts were made for five years plus a three-year option; but even if the contract continues in operation, the unwealthy license-holder still depends on the wealthy Nazi landlord.

To pretend, under these conditions, that the end of licensing serves the cause of democracy and freedom is crude mockery. Talk of free competition sounds sour when a democratic minority, impoverished by economic and political persecution, must pit its penniless idealism against the still powerful profiteers of Nazism.

The High Commissioners seem to have sensed the danger. Before they handed most of their powers to the new Bonn government, they reserved a measure of control over the press. In view of the desperate plight of the licensed press, such action was undoubtedly essential for the moment; but it does little more than postpone the hour of reckoning. Controls are negative brakes at best. At the present low ebb of Allied power in Germany, the brake-lining of controls has worn thin.

The only hope is in positive action. As long as politically clean editors and publishers have to pay homage and



money to their political enemies, they are doomed. The most basic action therefore must be to help them secure their own plants and, with them, their political destiny.

If a re-examination of the status of Nazi-owned property and Nazi-earned assets is the only way out, such steps must be taken. It is unrealistic to think that the Nazi revolution can be undone without removing some of the loot of the Nazi revolutionaries. It is naive to expect the high ideals of weak democrats to defeat the low schemes of strong totalitarians.

In Germany, the press is not simply an industry or a business. It is vital education. Positive action to strengthen it must include co-operation with, and support of, the democratic elements.

Ultimately the problem of the German press is part of the vast realm of re-education. Newspapermen — from reporter to publisher—must be brought in contact with their colleagues in democratic countries. And simultaneously, the German public must be educated—in school, university, and citizens' meeting—to demand newspapers worthy of that name.

That the job can be done has been demonstrated by a few valiantly democratic publications. Eugen Kogon's *Frankfurter Hefte* has achieved a high standard of objective liberalism. A little daily in Bremen recently offered a bravely signed editorial in devastating answer to a reader who had written of the glory of Nazi days. *Wespennest* used the memory of Goebbels' journalism to shock German and Allied friends into stopping the flood of returning Nazi publishers. But a shining example was set by the *Frankfurter Rundschau*, which a few weeks ago printed a headline that criticized the government of Hesse. The Ministry of Justice demanded public retraction and apology —although no falsehood was involved. The editors replied publicly that they will appear in court as ordered, but that they had nothing to retract, and would cheerfully risk imprisonment rather than bow to another dictatorship by unreconstructed, autocratic German officialdom.

The *Rundschau* case, even before it has been resolved, has been one of the few victories of democracy in Germany. It has shown what a press, conscious of its rights and its duties, can do. It should have given a hint to Allied policy-makers — unaccustomed as they are to democratic "resurgence" in Germany — that it will pay to strengthen, to support, and to protect even the most bashful flowering of a truly free anti-Nazi press. This may involve some ruthless trampling down of resilient Nazi weeds; it may involve economic watering—perhaps with ERP aid—of the anti-totalitarian buds. If anyone should point to the recipients of such favors with a sneer at "collaboration," let him be reminded that if American funds are helping reconstruct German industry, there is no reason why they should not help reconstruct the German mind.

—PAUL WAKEFIELD

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Books

Return to Metternich

The versatile and kaleidoscopic mind of Peter Viereck is an asset to American intellectual life. His devotion to freedom and his self-confidence—both entirely honest—are potentially a combination of great value. It is therefore no pleasure to report that his latest volume, *Conservatism Revisited,* (Scribners, $2.50) is a confused and unconvincing exercise in heterodox history.

Not that the book is valueless. Mr. Viereck does not know how to be dull, and his topic is one which has not lately had many students. Even a hasty essay in defense of conservatism is likely to shake the complacency, and prick the prejudices, of uncritical liberals. Uncritical liberalism is dying, but slowly, and from the head down. Mr. Viereck's attack on its excesses will hardly be unfamiliar, but his is a sprightly, readable restatement of the case.

However this is certainly not all that conservatism needs, nor all Mr. Viereck's admirers have hoped for.

Mr. Viereck's main thesis is that Clemens Metternich, foreign minister of Austria for forty years, has been sadly abused and misunderstood. Up to a point, this is not at all startling. Metternich, the architect of a period of repose, and, with Castlereagh, the framer, in 1815, of a peace without vengeance—this is a Metternich we have had with us now for many years.

Where Mr. Viereck breaks new ground is in his assertion that, at least in principle, Metternich's political philosophy was as admirable as his diplomacy. This is new indeed—at least among believers in individual freedom—and it may be valid. But if the case can be made, Mr. Viereck has not made it. His Metternich, an apostle of law-and-ordered liberty, is skillfully constructed of quotations by and about the great man, but the construction is so unreal that Mr. Viereck himself constantly withdraws under his breath the compliments he is at pains to bestow.

Moreover, Mr. Viereck sometimes contradicts himself. He praises Metternich for his care not to inflame French nationalism by a punitive peace after Waterloo. Then he ardently defends his client's description of Italy as "a geographical expression." It is a strange alchemy which can transmute this standard thesis of Hapsburg diplomacy into a lofty principle of internationalism. The Austrians wished Italy to be merely "a geographical expression," and Metternich applied both force and guile to make this wish come true. Metternich's Italian policy, viewed from the standpoint of human freedom, was a crime; from the standpoint of diplomacy, a blunder.

Perhaps more serious still are Mr. Viereck's omissions. Is it possible to rehabilitate Metternich without some discussion of the theory and practice of legitimacy? And how can we accept Mr. Viereck's portrayal of Metternich as a guide to "The Conservative Way to Freedom" when Mr. Viereck does not even mention this remark: "No Government can pursue a firm and undeviating course when it is daily exposed to the influence of such dissolvent conditions as the freedom of the Press"? Mr. Viereck tells us that Metternich would have reformed Austria, but history shows that he prevented the discussion of reforms by other Austrians. Mr. Viereck tells us that Metternich was an admirer of the British Constitution, at least for the British, but history shows that he urged Britain to silence any of its citizens who supported continental liberalism.

Now Metternich, whatever else he may have been, was certainly complex. Like so many politicians, he was inordinately concerned about his place in history, and many of the comments that Mr. Viereck has joyously exhumed bear the musty taint of afterthought and apology. Metternich was at home with principles—he could always find a high ground for low actions. What is surprising is that Mr. Viereck should be so easily persuaded by verbal acrobatics. An attractive theoretical conservatism can be constructed from the statements of most reactionaries, including the "stuffy-stodgy" Americans whom Mr. Viereck rightly repudiates. Why then should he accept the statements of Metternich, nearly all of whose actions show him as the last great servant of a worn-out, sterile system of royalist repression and unearned aristocracy?

Mr. Viereck's motives are unquestionably of the best. His retreat to Metternich is not merely a puckish hunt for an unpopular position. He seems to have come to the Austrian by way of his notable study of the romantic origins of Nazism (*Metapolitics: From the Romantics to Hitler,* Knopf, 1941), and some of the best passages in *Conservatism Revisited* are restatements of passages in his earlier book. We may join him in admiring Metternich's perception of the dangers of romantic nationalism. Equally, we must applaud Mr. Viereck's emphatic denunciation of present-day Bolshevik nationalism, and his plea for common cause among liberals and conservatives against the extremes of right and left. Yet Mr. Viereck's topical illusions, by their very acceptability, seem to me to undermine his thesis about Metternich, for while Metternich was no Fascist, I find it hard to see him as the first anti-Fascist. If he has spiritual descendants, I cannot find them in the men who have fought for freedom, but rather in such gray figures as Pétain.

Mr. Viereck is right when he tells us that there is a conservative way to freedom. But surely it must be at all times, and passionately, a way to *freedom.* It is just at this point that we get little help from Prince Metternich.

—McGeorge Bundy

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Contributions

The Reader Reports

The articles appearing on these pages were contributed by readers in response to the theme question:

What do you consider the greatest threat to our political freedom today?

Holding the Franchise

The right to vote is a personal gift to every one of us as we reach the age of twenty-one, and is an exclusive right of franchise that can be exercised only by the holder. The greatest threat to our political freedom today is the fact that the citizen does not look upon this great franchise of his with appreciation and the will of preservation. It is ours by right of birth in the United States, and it is free for our use to better our way of living—yet only one-third of the registered voters of the United States exercise their right to vote.

If a bus line with a franchise to operate in your neighborhood refused to run on schedule, and stopped at any corner it saw fit, at any time it saw fit, every individual in the area would be clamoring to have the franchise removed from that particular company. And so it is with our right to vote—if we fail to exercise it, eventually that right might be removed from us by a group or groups interested in their self-aggrandizement.

The American people talk very loudly about their rights, but do very little toward maintaining them.

MRS. JOHN E. WALTERS
Salinas, California

The Man Who's Right

The greatest threat to our political freedom today, and every day, is the man who, frightened by the responsibilities of liberty, strikes the word from his copy of the dictionary and intends to see to it that all others do the same. He is the man who, inherently fearful of the competition to be met in the free market place of ideas, desires only to eliminate that competition.

A louder voice, a bigger chest, a technique of smear or blackmail, coercion, intimidation, misrepresentation, he considers legitimate weapons with which to eliminate all that he considers dangerous to the perpetuation of his own ideas. His name is Bugsy Siegel or Father Coughlin, Stalin or Hitler, Rankin or Dennis; he is a Grand Kleagle or a neighborhood bully, the man at the next desk who knows it all, or a pontificating radio expert. He is, in fine, the man who is right.

There is no worse threat to our freedoms today than the man who is right. Democracy is that system of living which allows the greatest elbow room for the greatest number within the framework of a society kept perpetually flexible by the knowledge that it may be wrong. The man who is right and who, being right, logically would eliminate what, in his righteousness, he believes wrong, is the enemy always and everywhere of flexibility, change, compromise. He boxes a little portion of the free ether of idea and calls it the whole world. He is totalitarian in the sense that he calls the part the whole; his totalitarianism consists in mistaking (and defending his mistake to the great cost of others) the fragment for the total fabric.

In a most thoughtful and illuminating article in a recent issue of *The Reporter*, Arthur Schlesinger, Jr. defines the man who is right, the congenital enemy of all synthesis, of free exchange, of compromise. He is a sick man, a man sickened by the pressures of choice, the man who has failed to live up to the moral exigencies of living. The small section of the whole that has offered him the security of dogma, the comfort of numbers, the fortress of infallible and predigested opinion, elicits his most complete loyalty. With other sick men, then, he marches to righteous battle against the well men, who, because they are well, have never found it necessary to be right.

ROBERT U. GODSOE
New York City

Negative Goal

The greatest threat to our political freedom today is a morbid fear of Communism that appears to paralyze the democratic spirit.

Democracy flourished while its ad-

Instructions to Reader Contributors

Theme: *"How long do you think it will take Germany to become a useful member of the community of nations?"*

1. All contributors should state the question to which the letter is in answer.
2. Letters should not exceed four hundred words.
3. Contributors are asked to print name, address, and occupation.
4. Contributions should be addressed to Reader Contributions, *The Reporter*, 220 East 42 Street, New York 17, New York.
5. Contributions to be printed will be selected by The Editors.
6. Each contributor whose letter is printed will receive a check for $25.00.
7. All contributions, whether printed or not, will become the property of *The Reporter*.
8. All contributions on this issue's question must be postmarked not later than October 18, 1949.

Reader contributors are asked to follow instructions carefully in order to avoid confusion between contributions on the theme-question and regular Letters to the Editor.

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herents followed positive objectives—the winning of political or social rights, or the dynamic quest of new liberty through settling a wilderness.

But we cringe from new challenges, and accept the purely negative goal of opposing Communism. Instead of applying democratic solutions to the problems of mankind, we bend all our efforts to preventing the application of Communistic solutions. Even ECA was presented to Congress and the people as a measure to thwart Communism rather than to strengthen and foster democracy.

Achievement of democracy will prevent Communism anywhere. But mere prevention of Communism will never achieve democracy. We are violating the first principle of war, the principle of offensive action, and have yielded the initiative to the enemy. Any change, any proposal to ameliorate the obvious social, economic, and political ills besetting most of the world, will not be ours but our opponents'.

Fear of Communistic change has engendered fear of any change. And the compulsion to demonstrate errors in Communism has led us to attribute a perfection to our own policies and methods that cannot possibly exist. We mistake democratic forms for democracy itself; postulate that these forms are perfect; and deduce that we have attained a perfect state of democracy. But perfect democracy can never be attained—although it may always be more closely approached.

In a rapidly-changing world, new problems continually arise, involving new conditions and relationships. New solutions must be found. Solutions employed for past problems will be inadequate, however well they served before. If we cease to seek new solutions, fearlessly and aggressively, we shall find ourselves unable to solve new problems by reason. And as Arnold Toynbee has amply demonstrated, a society which no longer meets its problems rationally must turn to force. The results are dictatorship, militarism and disintegration.

The immediate threat to our freedom is not—as yet—that a tyranny shall be imposed upon us. It is rather that we shall halt in our advance toward democracy. But in the end, this will amount to the same thing.

M. M. KREEGER
New Orleans, Louisiana

Letters

To The Reporter

Shifting the Burdens

To the Editor: Your recent issues prompt these questions and tentative answers.

Does Britain bear enormously too large a share of the western world's security burden? Does Britain police oceans and furnish first and second lines of defense out of all proportion to its reduced resources?

The United States, belatedly, relieved Britain of the burden of Greece and of most of the burden of Germany. Was this relief sufficient? Was it only a beginning?

The following transfers of wealth, power, prestige and burden are suggested:

The Bahamas to cold Canada, which needs a warm resort area, for say one hundred million dollars. To Canada, also, say, one billion dollars' worth of the British Navy.

Belize, Falkland Islands, British Guiana, possibly to Guatemala or Honduras, Argentina, Venezuela, or to the United States as trustee. The consideration should be hundreds of millions of dollars. (As is already evident from uranium explorations, British Guiana will be developed with American capital.)

Jamaica, Trinidad and other densely populated British possessions in the Caribbean, no monetary consideration. But the United States to share the dead-weight burden of steering these islands toward independence.

Gibraltar, Malta, Cyprus, Suez, Aden to the world's first naval power, for enough billions to pay off Britain's debt to America.

Some sort of shift of on-the-spot responsibility in Southern Asia.

Are these suggestions insane?

Or would such transfers, after temporarily lowering British prestige, enormously strengthen Britain? And America? And the western world?

JOHN MCCAIN
Seattle, Washington

Schizojournalism?

To the Editor: I am sometimes troubled by a seeming split in *The Reporter's* personality. On the one hand the magazine assumes a considerable amount of background information—particularly about the internal political situation in continental Europe. The style of writing contains allusions which must be lost on people who have not attained a certain degree of intellectual poise. On the other hand, an occasional article adopts an extremely simple approach. I am never sure just what you are trying to do or whom you are trying to reach.

The fare is a little too thin, perhaps, to excite the scholar and intellectual—yet the magazine seems to be aimed at him in part. I'm afraid it's too demanding, on the other hand, for the "average" reader. It must be aimed primarily at liberal college graduates who are interested in things but only partly informed. If this is so, I should like to suggest something. Forget about trying to woo the scholars directly, since they are an irascible minority at best. Forget about trying to be subtler than the "little magazines" and go after that literate but undernourished group of college graduates and professional people. And forget about throwing a bone to the masses.

MARK E. HUTCHINSON, JR.
Brooklyn, New York.

Dear Reader:

In this issue we have only established the main lines of our position on Germany; we have not exhausted the subject. Every "theme" that we have brought to your attention will be developed in future issues.

The men who have written for us are experts; several write from recent experience. Among new contributors are John Scott, former chief of *Time's* Berlin Bureau; Ernest Leiser, bureau chief for a press service in Berlin; and Fred Hechinger, who writes for the Washington *Post* and the New York *Herald Tribune*.

—The Editors

NOTE: *The Reporter* likes to give credit where credit is due, even if belatedly. Dr. Harold Taylor, in writing his article, "A Vote for Academic Freedom" in the August 30 issue, based it on his speech given previously at the *Mademoiselle* Sixth Annual College Forum, on "Freedom and Security," in April.

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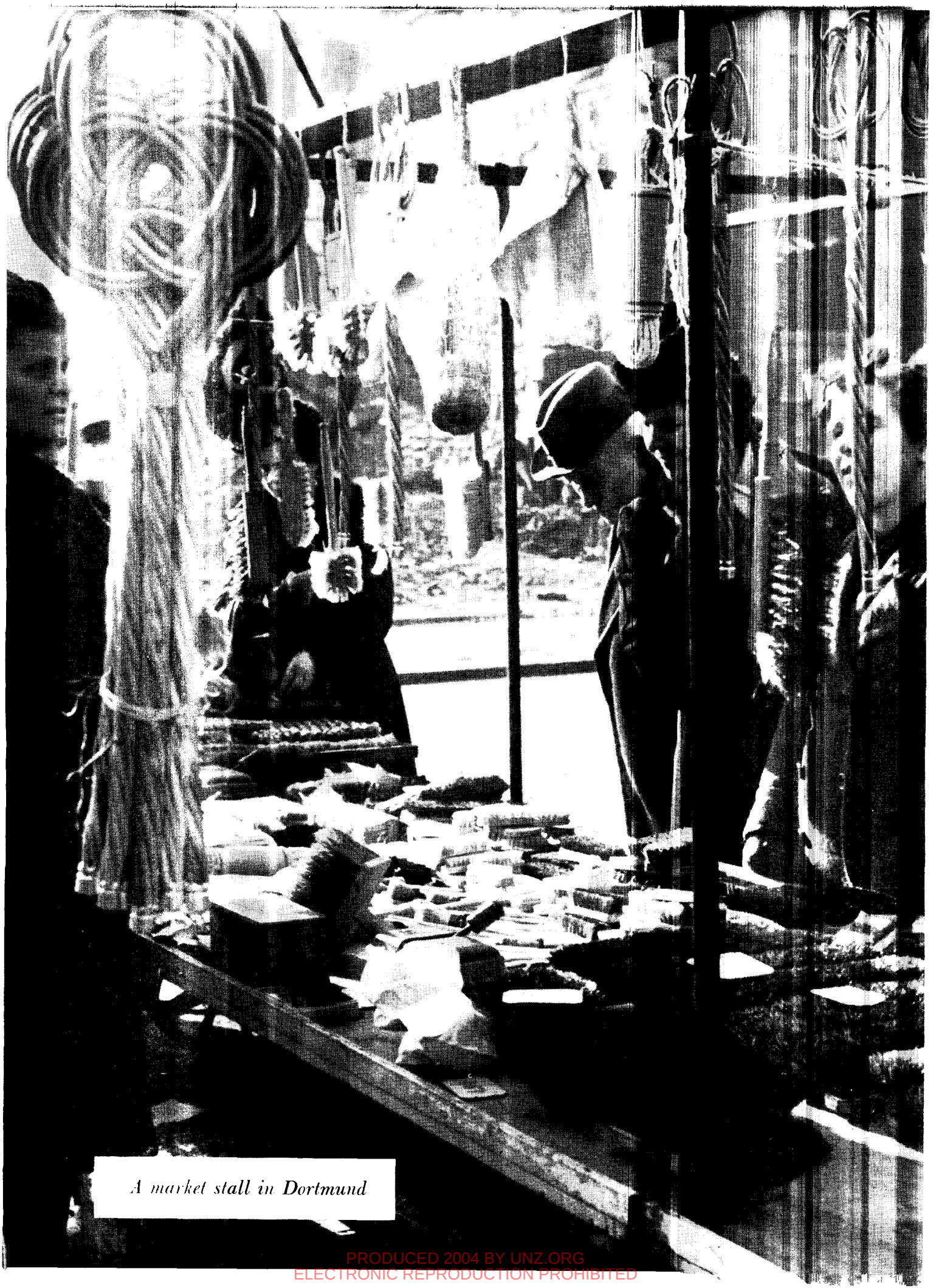

A market stall in Dortmund

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NEXT ISSUE

The Reporter

looks at the

AMERICAN BUSINESSMAN

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